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The Nation's Business

Alberta Losing Another Chance

West Takes Kindly To Arthur Purvis

Sir Edward Beatty Bullish on West

McGill University Makes Fine Choice

Youth Points Way In Ontario Election

Alberta and the Rowell Commission

ALBERTA was one of the provinces which insisted at the National Finance Committee meeting last December that the Dominion Government should appoint a royal commission to study Dominion-Provincial financial relations, but Premier Aberhart and his associates appear to have had a change of heart since then.

Although extensive work has already been done in preparing a brief setting forth Alberta's arguments for alteration of the present set-up, the Alberta Legislature at its recent session decided that the Government should refrain from the formality of submitting a brief to the commission.

Such action is the height of absurdity. The Aberhart Government must realize that it is impossible for the province to solve its own financial problems and that its main hope for a solution of its difficulties and for financial autonomy in the future lies in the study being undertaken by the Rowell Commission.

It is of vital importance to the people of Alberta that their case be presented to the commission.

* * *

Mr. Purvis Conquers the West

A FEW weeks ago Canada's four western provinces were host to Arthur B. Purvis, dynamic chairman of the National Employment Commission, and head of huge Canadian Industries Ltd. when he is not doing his dollar-a-year job for the Federal Government.

Mr. Purvis must have entered the West with doubts and misgivings. After a year of close contact with political and governmental affairs he probably trembled at meeting the "provincialists" on their own ground.

Judging by press interviews his trip has been highly successful. He has found enthusiasm and approval for the big job the Commission is tackling. He has returned brimful of optimism that a new deal for Canada's unemployed is possible despite all the limitations of politics, geography and the B.N.A. Act.

This programme, as he explained at the Vancouver meeting of the Canadian Chamber of Commerce, has four immediate objectives:

1. Continual breakdown of the unemployment problem according to type of need.
2. Establishment of adequate "proof of need" as the basis of all aid given either by federal, provincial or municipal units.
3. Provision of an adequate country-wide employment service administration supported by community effort.
4. A "full-blooded" programme of rehabilitation to restore the physique, morale and skill of "employables" now on relief.

Very shortly Mr. Purvis expects to carry his message into the Maritime Provinces and subsequently to Quebec and Ontario. If the western reception is any criterion, one of the most important "sales" jobs ever attempted in the field of national affairs in Canada will be an accomplished and outstanding success.

* * *

Prairie Province Business Prospects

RETURN of Sir Edward Beatty from his 8,000-mile inspection trip of western Canada emphasizes the many favorable factors in this year's crop outlook which offset the tragedy of Saskatchewan drought. Sir Edward stresses the fact that "many sections of the country, on account of excellent prices for both grains and livestock, will this year take a long step forward toward normal conditions of prosperity."

From a business point of view the most important single factor in this year's crop situation on the three Prairie Provinces is its distribution. Some areas have been blessed with very good crops at excellent prices while others will have little or no new purchasing power in prospect. The significance of this is that a poorly distributed crop return is never as productive of retail buying power as a crop of the same total value which is well distributed.

* * *

The Douglas Appointment

APPOINTMENT of Lewis W. Douglas as principal of McGill University is one to capture the imagination.

It emphasizes the contribution of the Douglas family to Canadian life. Lewis Douglas's great-grandfather, who came from Scotland, was an eminent physician in Quebec province. His grandfather filled many high posts in Canadian education and contributed generously to both McGill and Queen's Universities. In coming to McGill, Lewis Douglas returns to the province where these men left their imprint strongly embedded.

Mr. Douglas is a young man who from his very youth has displayed

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New Oil Well Extends Field To Westward

Share Royalties Has Strong Initial Flow of Crude

VALLEY ACTIVE

From Our Own Correspondent

CALGARY.—Throwing drilling mud and oil high into the derrick, Share Royalties blew in Friday afternoon and appeared to be a large-scale crude producer, extending the crude producing area to the west of all the producers so far completed in South Turner Valley.

Blowing in heads at half-minute intervals, the well is expected to be in the 2,000-barrel class. As it blew in, the roar of gas could be heard for miles around the valley. Share Royalties cleared rotary mud from the hole at faster rate than any other rotary drilled crude well in the history of the field.

The well, located west of the B. and B. producer, is considered by oil men to improve considerably the chances for production of several other wells near completion to the west of the present crude producers in the valley.

Officials declined to release production figures until later. It was pointed out that the well came in despite the fact that rotary fluid was not bailed from the hole. According to oil men this indicates very heavy pressure. The crude is similar to that produced by B. and B. The well was down 7,309 feet and about 380 feet in the lime.

Two Near Production

Model Spooner-Reward and Granville Oils are also expected to reach production shortly. Both wells are cleaning rotary mud from the hole for a production test. Model-Spooner-Reward stopped drilling last week-end. The well was carried to 469 feet in the lime to the black marker, the contact having been reached at 6,461 feet, making the total depth 6,939 feet.

Granville No. 1 was bailing last week-end, expecting completion the first of this week. In this case special precautions were taken owing to its location in the town of "Little Chicago." The well was 471 feet in the lime and a total depth of 7,321 feet.

Mercury No. 8 was blowing out fluid at last report and clearing itself for a definite production test. The amount of mud being sent up made it impossible to hook up with the separator as yet. It was believed the well would prove a naphtha producer at the start, but this information cannot be determined until the test is made. Mercury Royalties was making good progress at 4,850 feet and old bottom was expected to be reached this week.

Brown's No. 4

Brown Corp. 4 will be drilling in the near future on 1.s.d.4 of 21-18-2w5. Reporting an advance of 232 feet for the week's drilling, Okalta Royalties well, testing a wide western extension of the Turner Valley field, was reported at a depth of 1,889 feet, making excellent progress.

Bersac Royalties, financed by British American Oils, C. C. Ross, Security Assets, Calmont Oils and Newell and Chandler, will commence drilling immediately south of Davies No. 2. The well is financed to completion. Globe Royalties well was still awaiting delivery of a new cable, with the well at depth of 2,475 feet. Sunburst Oils, which has been idle for the past few months, will resume drilling in the next two weeks. The well is at present at 2,610 feet.

Abitibi Plan Approval Seen

But Opposing Committee Will Contribute to Court Fight

Strong support has been given to the plan of the Bondholders' Representative Committee headed by Joseph P. Ripley, for reorganizing Abitibi Power & Paper Co.

Substantial opposition to the plan, including proxies from numerous small bondholders, is reported from the Bondholders' Defensive Committee, headed by Sir Henry Drayton.

The large holdings in support of the plan indicate that it will be approved by a substantial majority of bondholders at the meeting in Toronto on Oct. 15. While precise estimates of total bonds in support are lacking, they are expected to exceed $20 millions of the $48.3 millions outstanding. Opposition through the Defensive Committee may, however, be of some significance in the courts where a long legal battle is expected over sanction of the plan.

Whether the Defensive Committee will offer a definite scheme of its own as an alternative to the Representative Committee's plan remains uncertain, but it is still a possibility.

Hon. P. R. DuTremblay, K.C., Montreal, president of LaPresse Publishing Co., has become a member of the Bondholders' Defensive Committee headed by Sir Henry Drayton, Toronto.

In an appeal to all Abitibi bondholders to be represented at the meeting, the Representative Committee states:

"1. Arrangements of vital importance with regard to reinstatement and rearrangement of pulpwood concessions and water power rights are contingent upon reorganization.

"2. Only through reorganization can the committee see any practical

(Continued on page 4, col. 4)

Luncheon Speech Lands New Head in Old McGill

Two-fisted U. S. Budget Balancer Moves to Canada

Because he addressed a meeting of the Canadian Club in Montreal last spring, Lewis W. Douglas is now principal of McGill University.

His address so impressed businessmen who heard him that a governor of McGill turned to another governor and said: "There's our man."

Before the luncheon no one had thought of the former director of the United States budget as a possible successor to the post just vacated by Dr. A. E. Morgan. At that time no one had dreamed of creating precedent by going to the United States for the head of a great Canadian university.

The McGill governors whose imagination was fired at the luncheon interested the other governors. They had already canvassed 60 names. The more they looked into the background of Douglas, the more anxious they were to secure him. Finally the governors made him an offer, almost certain that there was no chance of acceptance. The job appealed to his imagination. Douglas is coming on Jan. 1.

Roots Deep in Canada

But Douglas isn't just an ordinary outsider or ex-brain truster of Roosevelt. His roots are very deep in Canadian life, especially her academic life.

His great-grandfather was an eminent physician in Quebec City and founder of the first mental hospital in that province.

His grandfather, James Douglas, was former chancellor of Queen's University, and governor of McGill. It was his rich bequest which provided McGill this year with Douglas Hall, residence for men, officially opened by the Governor-General this week.

The grandfather was extraordinary in versatility. Helping his father around the mental hospital, he planned first to be a doctor. His parents preferred that he be a Presbyterian clergyman and sent him to University of Edinburgh for theological training, after he had secured a degree at Queen's University.

Founded Mining Fortune

A trip around the world developed scientific interests. So did the fact that the family fortunes were shattered by an unhappy venture in copper mining. Young Douglas studied geology, metallurgy and chemistry. By writing articles on these subjects for technical journals he soon established a name for himself as a mining authority.

Lewis W. Douglas

Soon he was hired by mining companies to report on property prospects, secured large interests in mines in Arizona and Mexico that were to become famous, and the great Douglas fortunes were born.

Twice he was head of the American Institute of Mining Engineers. He built a railroad which was the skeleton of a great system in the southwest. In his spare time he wrote books on history and theology. Douglas, Arizona, was named after him and before his death in 1918 he was one of Canada's philanthropists with bequests of $250,000 to Queen's University (Douglas library there is named after him), $42,000 to Verdun Protestant hospital, and various gifts totalling $312,990 to McGill.

The father of the new McGill head, James Stuart Douglas, was born in Quebec Province, educated

(Continued on page 2, col. 5)

Move to Take "Mike" Off Soapbox is Seen

Demands For Curb on Political Broadcasts Follow Ontario Campaign

From Our Own Correspondent

OTTAWA.—There is one large irritating fly in the ointment of Canadian radio.

That fly is the superabundance of political broadcasting.

For a period of more than a month now entertainment, educational, and even advertising values of the air have been desecrated with utter recklessness by Ontario politicians. With few exceptions the speakers, furthermore, have belonged to the prevalent "claptrap" school.

While radio in Canada is sufficiently hardy to survive other campaigns of a like nature, there is a strong feeling in Federal circles that it should not be put to the test.

Difficult to Curb

Undoubtedly this problem of reasonable control of political broadcasting is the most difficult which the Canadian Broadcasting Commission faces. It is complicated by the fact that radio in Canada is a mixture of private and public ownership and that the question of revenue is interwoven with the legitimate interests of the owners of receiving sets.

For instance, in England no great problem of political broadcasting exists. Your rank-and-file tub-thumping politician cannot, simply by the expenditure of a few dollars, drive entertainment or instruction off the air while he wearies his listeners over a nation-wide hook-up. Instead, only a few key speeches are carried. And only the party leaders achieve the privilege of being broadcast. But in England radio is entirely publicly-owned and oper-

(Continued on page 2, col, 3)

Probe Unruffled By Denunciation

From Our Own Correspondent

OTTAWA.—The Royal Commission on Dominion-Provincial Relations will blandly ignore the Alberta Government's avowed refusal to co-operate, and will be quite content to accept as a basis for study the pamphlet to be published instead of a formal submission to the Commission. The Commission is no stickler for form, and has no intention of responding to any provocations to controversy. In any event, the Commission has had no difficulty to date in obtaining considerable statistical and financial information from the Alberta Government to aid the Commission in its work.

Plains Pete No. 2 Comes in Strongly

No. 2 well of Plains Petroleum Corp., a Toronto concern operating in the Taber field of Alberta, 40 miles from Lethbridge, blew in at midnight on Tuesday, Oct. 5, The Financial Post learns officially, with a good flow of heavy crude. Actual volume will not, of course, be known until a production test, scheduled for Sunday, Oct. 9, is carried through, but initial reports give a flush flow of around 400 barrels daily, of 29.3 degrees Baume, which is a heavy crude.

Plains Petroleum Corp. is headed by Robert I. Clancey, of Toronto.

Draining The Oil Flood

With thousands of barrels of oil gushing daily from its wells and its forest of derricks still spreading rapidly, Turner Valley is facing its next hurdle—marketing.

For the first time the new Canadian oil field finds itself with more crude than it can handle. A quota policy has been adopted by the two largest distributors and freight rates have been reduced. These measures may serve to tide over the difficulties of the immediate future, but a permanent and adequate means of distributing Alberta's black gold must still be found.

The Financial Post brings to its readers next week a careful analysis of the situation and a discussion of proposals for solving what is rapidly becoming a national problem.

Highlights

Russia's Women Laborers

Financial Post writer describes position and share of women in Soviet industry. Page 15.

Income Tax Headaches

Hints on how to keep records which will assure you of obtaining full exemptions when your returns are made next April 30. Page 14.

Production Levels

H. N. McGill, president of McGill Commodity Service Inc., gives his views on the course of production and business. Page 7.

Steel in Canada

New developments, production details and other features of steel in Canada are related to the investors' interest in the companies concerned. Page 11.

Fire Prevention

Problems met in lessening Canada's loss from fires are discussed in a special feature. Pages 12-13.

Dividends

Canadian companies head for a new peak in payments to shareholders in 1937, in which mining companies play their part. Pages 3 and 19.

Feminine Finance

Why do women buy mining stocks and how do they make their selections? Page 20.

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Ottawa Plans Cutting Duty On N.Z. Butter

But Government Will Retain Control of Imports

ORDER-IN-COUNCIL

By Staff Writer

OTTAWA. — An order-in-council making an important change in the present duty on butter from New Zealand will be passed shortly by the Federal Government, The Financial Post understands.

Rumors had been current on Parliament Hill for some time prior to announcement of the treaty last Friday regarding a change in the butter schedule. The official press release issued on Oct. 1 made no mention of the change and this was interpreted as indicating that no alteration of the butter duty was contemplated.

Dump Duty Drops

What will happen, The Financial Post is informed, is that Ottawa will shortly pass an order-in-council abolishing the exchange dump duty on New Zealand butter. At present if any butter were to be imported into Canada from New Zealand this exchange plus the regular duty of five cents per pound would make a total duty of about nine cents per pound.

In addition, an understanding has been reached with the New Zealand Government whereby it is agreed that no butter may be imported into this country without the permission of Ottawa.

In effect, Canada has reached an understanding with New Zealand that the prohibitive barrier against the New Zealand product will be removed but it will now rest with the government officials to say when (if at all) butter may be brought into the country.

Date Uncertain

Just when the order-in-council will be passed is a matter of conjecture. It is learned that Hon. W. D. Euler, minister of trade and commerce, is absent from the city this week. Whether anything will be done in his absence remains to be seen. It is possible that the order-in-council will not be passed until the return of the Hon. J. L. Ilsley, minister of national revenue.

One further possible interpretation of the Government's action in not announcing this additional order-in-council is that the Government did not desire to inject the butter controversy into the dying moments of the Ontario election campaign. It will be remembered that defeat of the King Government back in 1930 was attributed in no small degree to the New Zealand butter question and undoubtedly the Government would be anxious to avoid any possible complication of a political nature at this time.

The rest of the new agreements with Australia and New Zealand follow the pattern generally anticipated except that the duty on fresh lamb and mutton from either country is cut from three cents per pound to one-half cent. This change may also arouse criticism in some agricultural communities.

No Change in Motors

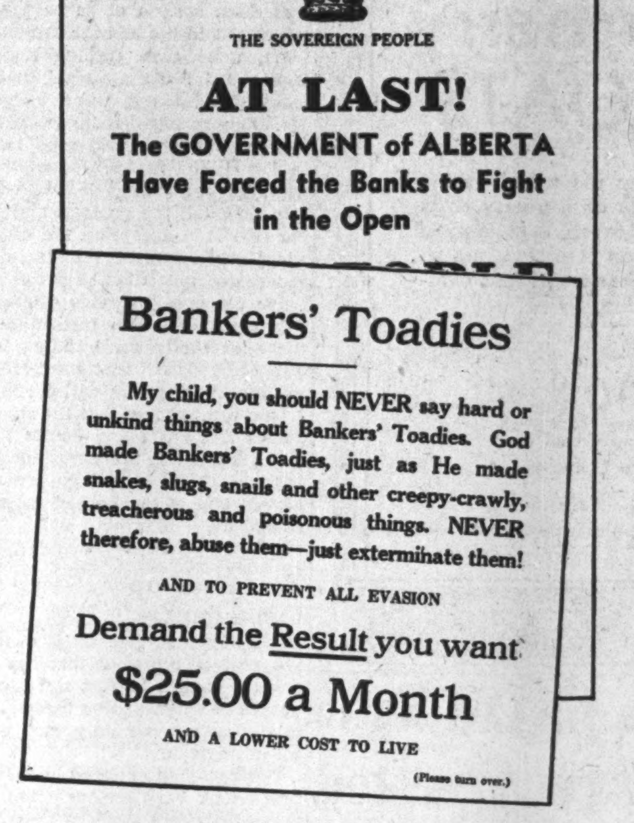
There is apparently no change in the Canadian quota of motor cars to the sister Dominions, though manufacturers here were hopeful of some expansion.

The fact that both treaties are guaranteed for one year only is interpreted in some quarters as indicating that neither Australian nor New Zealand grievances in regard to their relatively small exports have been permanently satisfied.

Under the trade agreements there has been considerable expansion of Canadian export trade. During the 12 months ended Aug., 1937, total value of our exports to Australia amounted to $29.6 millions. Principal products exported are newsprint paper, automobiles and parts, lumber and logs, canned salmon, sardines and a considerable range of miscellaneous manufactured goods. Importations from Australia amounted to over $11 millions, the chief products being raisins and dried currants, wool and wool tops, sugar, canned fruit and hides and skins.

Trade with New Zealand for the same period amounted to $14.6 millions of Canadian exports, largely of automobiles, rubber goods, paper and miscellaneous manufactured products to $7.5 millions of imports. The latter consisted mainly of wool, hides, skins and sausage casings.

Ottawa Confident of Checkmate As Aberhart Ponders Next Move



THE SOVEREIGN PEOPLE

AT LAST!

The GOVERNMENT of ALBERTA Have Forced the Banks to Fight in the Open

Bankers' Toadies

My child, you should NEVER say hard or unkind things about Bankers' Toadies. God made Bankers' Toadies, just as He made snakes, slugs, snails and other creepy-crawly, treacherous and poisonous things. NEVER therefore, abuse them—just exterminate them!

AND TO PREVENT ALL EVASION

Demand the Result you want

$25.00 a Month

AND A LOWER COST TO LIVE

(Please turn over.)

SAMPLES OF SOCIAL CREDIT APPEALS

Sections of two handbills broadcast during the week in Alberta. On the reverse side of the Bankers' Toadies bill are listed nine prominent citizens the people are urged to "exterminate."

Retreat Seen as Only Course Open to Social Credit Chief

From Our Own Correspondent

OTTAWA.—After careful survey of the various possibilities of action, Federal authorities are satisfied that Hon. William S. Aberhart, Social Credit Premier of Alberta, faces certain checkmate—regardless of what move he may make—if he persists further along the path of constitutional defiance.

If he attempts a Social Credit dictatorship which will simply ignore the laws and the constitution of the Dominion, he is seen as lacking the police power to enforce it. The R.C.M.P. are still the police force of Alberta.

If he attempts to raise the cry of provincial rights and Federal interference, and holds a general election on the issue, his defeat, Ottawa believes, is a certainty. Opinion in Alberta is not so positive.

One Course Open

One course alone is regarded as open to him, namely, to desist from his challenge to constitutional authority, from his attempts at economic dictatorship, and from a general crusade which could only be successful if he had behind him a people reckless to the point of being willing to provoke civil strife. He must desist from all this, Ottawa firmly believes, and content himself with clinging lamely to power and collecting the sessional indemnities which he and his supporters stand to receive if the Government lives out its normal life.

One thing is certain. Despite the brave show of defiance which the Social Credit Government has made in the Alberta Legislature, the attitude of the Federal Government toward it has not altered in a single degree. The course which the Mackenzie King Cabinet followed some weeks ago when it disallowed certain legislation, it will follow unhesitatingly again should occasion arise.

The Dominion authorities, furthermore, do not harbor the slightest doubts concerning the continued unconstitutionality of the Social Credit Ministry's banking legislation, despite the overhauling which it has received during the last few days in the Legislature.

They have even serious doubts concerning the validity of the legislation which Mr. Aberhart has sponsored to curb the press of his province.

May Ignore Ottawa

The possibility which Dominion authorities are contemplating at the moment is that the Social Credit Premier may devise a method of legislation which will do away with the requirement of submitting Alberta legislation to Ottawa. The resolution introduced during the past few days into the Alberta Legislature denying the Federal power of disallowance is interpreted as a move in that direction. The question which arises, accordingly, is:

What happens if Premier Aberhart and his aides simply pass their legislation and proceed to enforce it without any reference to the Federal Government?

The answer, as various authorities here see it, lies in two possible directions. In the first, the position of the Lieutenant-Governor assumes importance. According to Federal legal authorities, the Lieutenant-Governor is the deputy of the Governor-General within the province, and is in no sense subject to the instructions of the Alberta Government. And it is upon the Lieutenant-Governor that the responsibility at present devolves of transmitting provincial legislation for Federal approval.

Lieutenant-Governor Bowen has accepted this responsibility in reserving royal assent on three of the 11 measures passed at the special session just concluded in Alberta. This again places the matter of disallowance squarely in front of Ottawa.

No Case For Courts

Another possibility foreseen is that the Social Credit Government, acting in the light of a resolution of the Alberta Legislature declaring the power of disallowance to be non-existent, will simply treat the recently nullified legislation as perfectly valid and proceed to enforce it. The weakness of Mr. Aberhart's position, if he desired to carry out any such plan, is his lack of a personal police force. The law enforcement agency in Alberta is the Royal Canadian Mounted Police, and the contract which the force has with the province does not expire until 1940. Similarly, any prosecutions which the Government might desire to carry to the courts would inevitably be dismissed on the grounds that the statutes under which they were brought had been declared invalid.

It is difficult, accordingly, for Dominion authorities to see what progress Mr. Aberhart can make. It is true that he has proposed to the Federal Government that it submit the power of disallowance as a reference to the Supreme Court, and in some quarters this offer is interpreted as a weakening from his recent stand.

As a matter of fact there is some doubt in the minds of Federal authorities as to whether the Supreme Court would be disposed to hear a reference on disallowance. The Federal power is so clearly a part of the British North America Act, it is considered that any such action would be stamped from the first as frivolous.

Royal Assent Reserved On Three Alberta Acts

Lieut.-Governor's Action Climax to Strange Session

From Our Own Correspondent

EDMONTON. — Lieutenant-Governor J. C. Bowen reserved royal assent from three bills passed by the Social Credit Legislature, as he prorogued the House.

The bills on which assent was reserved were the Press Control, The Bank Taxation, and the Credit Regulation (or bank control) measures. Eight other bills, including the licensing of businesses and repeal of the Recall Act, received assent. Assent was reserved in the following terms: "His Honor, the Lieutenant-Governor, doth reserve these bills for the signification of His Excellency, the Governor-General's pleasure thereon."

Neither dissolution of the Legislature nor the resignation of the Government were indicated immediately as probable developments, despite the plain inference that the Lieutenant-Governor had lost confidence in the Government. Pending word from Ottawa, no developments were looked for, as Premier Aberhart was to leave on a speaking tour of the province.

The fifth session of the Social Credit-controlled Alberta Legislature, a special sitting called to deal with the situation created by the Federal Government's veto of provincial bank control legislation, delivered another salvo of political and economic shocks.

In summary, the session transacted the following business:

1. **Disallowances:** After floundering badly on this issue for several days, amid rumors of heated contention in the Social Credit caucus, the Aberhart Government reversed its carefully built attitude of defiance toward Ottawa, announced its willingness to have the constitutional issue referred to the Supreme Court of Canada, and then proceeded to re-enact in almost identical terms the substance of the vetoed bank control act.

To say that the public in Alberta was bewildered by this somersaulting of policy was to report the condition of Social Credit members themselves, whose prepared speeches were frequently several laps behind the changing front of their Government.

2. **Bank Control:** After deleting provisions affecting bank employees and the licensing of them, the Credit Regulation Act, vetoed in August, was passed again. It provides licensing of banks, establishment of local directorates dominated by Social Crediters to control banking policy, and the heavy penalties. The bank branches in Alberta, under the new act, would be under the thumb of the Provincial Credit Commission, as under the vetoed act.

3. **Bank Taxation:** In a measure imposing taxation to yield more than $2,000,000 from the chartered banks in Alberta, the Social Credit Government laid down the only legislation ever enacted on the principle that credit cost banks nothing, and they could furnish funds to a government at no expense to themselves.

4. **Politics:** Repeal of the Social Credit Government's own Recall Act, representing one of its major election planks in 1935, was undertaken as the opportunity presented itself with a private member's resolution to make recall easier. Premier Aberhart and his supporters faced charges of "cowardice" as opposition speakers pointed out that the only recall so far attempted under the Act

(Continued on page 2, col, 3)

Press Control Seen Illegal

Ottawa Officials Believe It Clashes With Dominion Statute

From Our Own Correspondent

OTTAWA.—The bill to control the newspapers which the Alberta Government has placed before the Legislature is viewed by Federal legal officials as clashing with section 136 of the Criminal Code, which states: "Everyone is guilty of an indictable offense and liable to one year's imprisonment who wilfully and knowingly publishes any false news or tale whereby injury or mischief is or is likely to be occasioned to any public interest."

This section has been in the Criminal Code, which is under sole Federal jurisdiction, a long time and at least one important prosecution has been sustained under it, when certain publishers were punished for issuing placards declaring that settlers from the United States were not wanted in Canada. Now, it is a leading principle of Canadian statute law that where the Federal Parliament has passed legislation on a certain topic, the provincial legislatures cannot undertake to modify or extend the Dominion statute by legislation of their own.

Fundamentally, the press control bill which Mr. Aberhart is sponsoring is viewed in Ottawa as an attempt to extend section 136 of the Criminal Code. Consequently, the opinion is that it is ultra vires.

Lake of Woods Net May Drop

But Earnings May Justify Payment on Preferred Arrears

From Our Own Correspondent

MONTREAL.—Lake of the Woods Milling Co.'s financial statement for the year ended Aug. 31, which is expected to make its appearance around the middle of the month, may not show any material improvement in earnings.

Earlier in the year it was understood that dollar income had held up fairly well, but net was off slightly owing to higher operating costs.

Official information is lacking on earnings for it is expected that the preferred dividend will be covered by a comfortable margin. Last year the company reported a net income of $447,667, equivalent to $29.84 a share on the preferred.

May Pay on Arrears

Share earnings for 1936-37 are likely to be somewhat lower, but still sufficient to warrant consideration of a further distribution in respect to preferred arrears which now total $14 a share.

Financially the company has been able to better itself in recent years and this improvement is expected to be shown in the statement for the past year. In the year ended Aug. 31, 1936, Lake of the Woods showed net working capital at $714,852, up from $122,352 in 1935-36 and the best reported for several years.

MEN'S SHOP

Offering a Superb Selection of the WORLD-RENOWNED Burberry COATS

Esteemed by well dressed men the world over—the character and individuality of Burberry coats lies in their nice balance between conservatism and smartness. The Men's Shop features a superb selection of Burberry all wool topcoats and overcoats, styled for Fall and Winter.

Sizes 36 to 46

45.00 to 70.00

These coats may be purchased on EATON'S Budget Plan if desired.

Free Parking While Shopping.

BAY STREET SECTION

EATON'S-COLLEGE STREET

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Increases Directorate

MONTREAL. — Commonwealth International Corp., an investment trust of the management type, has taken out supplementary letters patent increasing the number of directors from 9 to 12.

S. C. Leaders Are Arrested

From Our Own Correspondent

EDMONTON.—Charges of criminal libel and "counselling to murder" arising out of circulation of a pamphlet entitled "Bankers' Toadies," led to the arrest here this week of G. F. Powell, envoy of Maj. C. H. Douglas, in directing recent policies of the Social Credit Government; and Joseph H. Unwin, Aberhart Government legislative whip.

The arrests were made by Edmonton police on complaints and information filed by one of the prominent Edmonton citizens, including political figures and lawyers, who are named in the pamphlet. Police also seized 2,400 copies of the pamphlet at headquarters of the Social Credit Party.

The libel charges are seditious libel, defamatory libel, and "defamatory libel knowing the same to be false." Maximum penalties provided in the Criminal Code for such offenses total nearly 40 years in prison. Preliminary hearings on the charges are not expected for at least a week or two.

As representative of Major Douglas, English founder of Social Credit, Powell has been virtual director of Government manoeuvres in recent months and the dominant figure in the Alberta political situation.

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Ask for booklet, "Loans for Home Improvements." It answers your questions about the Home Improvement Plan.

THE ROYAL BANK OF CANADA

OVER 600 BRANCHES IN ALL PARTS OF CANADA

The Nation's Business

(Continued from page 1)

an intense eagerness for public service. He represented Arizona in the United States House of Representatives and then became Director of the Budget, occupying a post that has been filled with distinction by Gen. Dawes and Gen. Lord.

Under President Roosevelt a "director of the budget" must be a misfit and the title a misnomer. Mr. Douglas finally quit. He found that the president did not want the budget controlled or directed. Roosevelt was interested only in spending regardless of the consequences.

Radicals in Washington regard Mr. Douglas as too orthodox. And indeed no one has marshalled his facts more intelligently in criticizing the extremes of New Deal policies. Mr. Douglas thinks clearly and, during his service in Washington, was often spoken of as having the best brain in the administration.

When he gave up the hopeless task of balancing a budget that the president did not want balanced, Mr. Douglas found many opportunities for public service open to him in the United States. He went into business but always it was education that had the greatest appeal to his mind. In accepting the offer of the McGill governors he no doubt recognized not only the broad challenge for public service offered by this great Canadian institution but the opportunity for building international goodwill that is inherent in the high position he will occupy.

One can but feel that the shade of James Douglas I and James Douglas II are at this moment expressing approval both of the governors of McGill and of the heir of their fine traditions.

• • •

Two Clean-up Campaigners

THE Ontario election is over and most of the mud that has been slung will turn to dust and drop off people at whom it was thrown. The mud-slinging was only part of the game anyway.

But two men engaged in the campaign took very seriously the criticisms that were made of them. Both were young men. C. George McCullagh, publisher of the Toronto Globe and Mail, disliked the way he was treated by some of the political spokesmen. One of the men who aroused his contempt most passionately was Denton Massey, M.P. Curiously, the other complainant was Denton Massey, M.P. He felt that the Globe and Mail was most unfair to him.

Each one, with the idealism of youth, was embittered by the cheap invective of the campaign. And each one accused the other of stooping to it.

Does not this suggest that Mr. McCullagh and Mr. Massey ought to get together and see what they can do, in combination, to clean up our election campaigns?

• • •

IT WILL be a long time before the dramatic 8,500-word broadcast of George McCullagh will be forgotten. For an hour on the eve of the election, the 32-year-old publisher and ex-broker made a bitter, impassioned attack on the "political game" as it was played in the provincial campaign.

Mr. McCullagh was on sound ground when he challenged that the real problems confronting the Dominion are not being faced because: "partisan politicians are playing the political game and governing to preserve the party at any cost, rather than to serve the public interest." He was on equally sound ground when he urged young men to think seriously about the heritage of a heavily mortgaged country and the almost overwhelming load of debt and taxation which young Canadians are being asked to shoulder.

Mr. McCullagh is a strange but attractive mixture. He is both hard-boiled and a sentimentalist. Obviously the criticism that was given himself and his "independent" paper during the election campaign affected him deeply. He is sensitive to personal attack.

When he has been in the publishing business 10 or 20 years he will be less eager to take personal offense at every jibe and innuendo from the political platform. He will probably be more prone to follow the wise counsel of a fellow publisher, John Imrie of Edmonton, who emphasized in a public address last May the fact that the present-day conception of a newspaper is really an evolution of the past 50 years, and is far removed from the former tradition of personal journalism (toward which Mr. McCullagh leans) where "publishers were more in the nature of publicists than of editors."

It is to be hoped, however, that time will not dim Mr. McCullagh's unquestionably sincere conviction (and his vigorous expression of it) that the rules of the political game as played in this country are badly in need of overhauling.

• • •

THE case of Mr. Massey is a little different. The attack upon him was personal. He is not a publisher. In a radio broadcast he quoted the opinion of various British labor leaders, including the minister of labor, that the Rowe labor policy (with minor exceptions) was in accordance with the labor policy followed in Britain. The Globe and Mail did not run Mr. Massey's speech, but a few days later it published a fiery denunciation of Mr. Massey, cabled from London, and accusing him of breaking confidence with the minister of labor and of misquoting the latter. Mr. Massey got on the telephone to London and apparently cleared himself with the minister. Anyway he was able to make another speech reiterating his previous statements and charging the Globe and Mail with completely misrepresenting his position in the matter. Again the Globe and Mail published not a word of his reply.

The difference between what the Globe and Mail quoted the British minister of labor as saying and what Mr. Massey got from the minister's office after the Globe's attack is the difference between black and white. As to the facts of what happened one must choose between Mr. Massey's own positive statements and the cable from The Globe and Mail's British correspondent. But that the Globe and Mail was only too ready to put Mr. Massey in the wrong and then to refuse to give its readers the other side of the story is obvious.

• • •

THE incident is one that is best forgotten, but this, and the McCullagh broadcast reveal how difficult it is to translate idealism into practice in a political campaign.

If Mr. Massey and Mr. McCullagh can stop making faces at each other and join for the common purpose of gaining wider acceptance of their own ideals it would be for the good of the country.

Move to Take Mike Off the Soap Box Discussed at Ottawa

(Continued from page 1)

ated. There is no charge for broadcasting the key speeches.

In Canada, however, the privately-owned stations complicate the picture. Revenues which they receive during a political campaign are substantial.

Of course, the Canadian Broadcasting Corporation could simply "crack down" on the general situation. It could step in and exercise autocratic control. But would it be justified—so long as it not only tolerates but co-operates with privately-owned stations—in cutting off so substantial a source of revenue?

Some reasonable, middle-course solution will have to be devised. Unquestionably the radio public will whole-heartedly endorse any remedy which will cure existing conditions, without preventing the presentation of issues by party leaders.

What, it may be asked, of the politicians themselves? Strange as it may seem, it is wholly unlikely that the party managers would protest strenuously against any proposal for a reasonable curb upon political broadcasting. Already they are seriously disturbed over its growing costliness. The present system simply means, they say, that the party which has the most money has the greatest advantage.

Royal Assent Reserved By Lieutenant-Governor On Three Alberta Acts

(Continued from page 1)

was then proceeding against Premier Aberhart in Okotoks-High River riding.

5. Licensing: A consolidation of existing licensing statutes was passed, placing Hon. E. C. Manning, minister of trade and industry, in the position of virtual dictator over Alberta business.

6. Press Control: Left as one of the final measures of the session, the "Accurate News and Information Act" was designed to empower the Government, by order-in-council, to commandeer space in newspapers in the province for Government statements; force papers to divulge news sources; use the power of forcing their suspension for contraventions; deny to papers the services of writers coming under Government ban; and presumably to protect papers from libel actions arising from Government statements the publication of which was ordered.

6. Rowell National Commission: By resolution of the legislature, the Aberhart Government was instructed to refrain from submitting a brief to the commission, on behalf of the Province of Alberta.

Retreat is Sensation

The retreat of the Aberhart Government from its position of defiance was the big sensation of the session, in view of bold promises from Mr. Aberhart and others beforehand, that the vetoed legislation would be implemented. Developments were as follows: Mr. Maynard introduced a resolution affirming the legislature's support of the Government's position of non-recognition of disallowance. Two days later, in concluding his speech, he announced that the Government was willing to refer the question of disallowance to the courts, and remove "objectionable features" from the Bank Control Act before passing it in amended form. Premier Aberhart himself amended the Maynard resolution to include reference of disallowance to the courts.

Abitibi Stockholders Prepare for Battle

Collin Brooks, editor of the Sunday Dispatch, London, announces a protective committee for common shareholders in connection with reorganization of Abitibi Power & Paper Co. Mr. Brooks has been acting in Canada for Lord Rothermere whose interests have investments in Abitibi securities.

Mr. Brooks will act as chairman and the secretary is to be L. A. Renaud, general manager of Comptoir Nationale de Placements.

While there have been suggestions that a second preferred stockholders' committee will be formed, nothing definite on this point is available. The suggestion of such a committee is due to disagreement of some holders of preferred with the Bondholders' Representative Committee's plan of reorganization which has the qualified support of the present preferred stock committee.

Luncheon Speech Lands New Head in Old McGill

(Continued from page 1)

in public schools there, but began business training in the family copper mines in Arizona. He managed various properties, became head of others and is president of the Bank of Douglas, Douglas, Arizona.

New Principal is War Veteran

Lewis Williams Douglas, who at 43 comes to Montreal, was born in Bisbee, Arizona. In 1916 he graduated from Amherst College, was special student at the Massachusetts Institute of Technology the following year and returned to Amherst for two years as instructor in history. He served in the Great War, was mentioned in dispatches and received the Belgian croix-de-guerre.

From 1921 to 1926 Douglas turned to mining. In 1923 he was elected member of the Arizona State Legislature. Two years later he was elected member at large in the House of Representatives, Washington.

He resigned from the house in 1933 to become director of the federal budget for President Roosevelt, which post he held until 1934.

Many academic honors are his. He received the degree LL.D. from both Amherst and Harvard Universities. He is a trustee of the Rockefeller Foundation, the general education board, Amherst College, the American Musuem of Natural History, the Memorial Hospital and the Teacher's Insurance and Annuity Company of America. In 1935 he delivered the Godkin lectures at Harvard University.

Canadian Club Speech

What was there in that Canadian Club speech at Montreal that made Douglas the man McGill governors wanted?

It was easy, graceful, clear and urbane. In Montreal, Douglas pointed out, he felt pretty close to home. He told a humorous anecdote of his war experience. "I tried to impart some dignity (to the speech) by christening it: The case for economic peace. I am reading it because I am a lazy person."

The whole speech was an attack on tinkering with business, "monetary monkey business," high tariffs and the political philosophy of "raising yourself by your own bootstraps," as exemplified chiefly by the Roosevelt régime.

"No authoritarian state, no totalitarian dictatorship, no personal government of vast power, can withstand the liberalizing consequences of economic liberalism," he said.

In that speech, though without direct reference, he made it very clear both as to why he had been taken into the innermost circles of the Roosevelt administration, why he had even been slated to succeed as secretary of the treasury, and why he had resigned after little more than a year.

Two-Fisted Budget Balancer

Douglas was taken into the brain trust because of his brains and because of the dazzling reputation he earned himself in Congress as a young two-fisted, budget-balancing fighter.

He had the other purpose, too, of being conservative ballast, as an inside critic who would flay the government policies and teach his superiors what answers to find for the conservatives outside.

His nomination to the brain-trust brought cheers from Wall Street, though all other brain trusters had been welcomed by deafening silence.

Own Economic Philosophy

"Back of his Scotch mania for saving," said one political observer, "Douglas had a highly developed economic philosophy which was the very reverse of the New Deal at almost every point. It was the economic equivalent of the Presbyterian doctrines of predestination, salvation by works and faith and infant damnation. He believes in balancing the budget, stabilizing the dollar, restoring confidence. He believes in competition, small business units, a minimum of government interference. He thinks he is very liberal because he holds no brief for financial buccaneering and would like to reduce the banking control of industry by enforcing the anti-trust laws, breaking business up into smaller units and keeping them under the control of industrial managers instead of letting them be exploited by the banks. His economic theories are those which were considered radical 25 years ago, as a result, no man has been so unhappy at Washington."

"Public officials of the few remaining liberal countries of the world are seeking the solution to an insoluble problem," Douglas said in his Montreal speech. "At the same time that they are attempting to maintain the freedom of institutions they are advocating the investiture of the state with a vaster amount of regulatory power. They propose, in one breath, to preserve the liberty of the individual end and, in the next, to sanctify by law the power of private monopolies. In the name of preserving democracy and the parliamentary system, they resist the restraints on the abuse of authority and request an even greater amount of unrestrained executive power. They seek a more equitable distribution of wealth by imposing restrictions on its production. They give lip service to the maintenance of international peace while all the time that they are attempting to economic warfare.

Contradiction in Terms

"I have said the problem is insoluble because in fact it is no problem at all. It is a contradiction in terms, a dilemma which liberal statesmen everywhere face. It is a choice between two wholly incompatable courses of public policy. No compromise is permissible for the same reason—so clearly demonstrated by the physicists—that it is impossible to travel in opposite directions at the same time. The task which confronts public officials is not a solution which they have to find, but a choice which they have to make."

In most of Europe, he pointed out, the choice has been made. "There is almost conclusive evidence that the selection was unwittingly made by people frenzied by pain, blind to reason, who swallowed what appeared to be, for the moment, the most palatable medicine advertised to alleviate their suffering. In the name of democracy, the substance of the parliamentary system has been destroyed."

This choice "does violence to the traditional beliefs of the Anglo-Saxon race. It means literally the end of those most cherished treasures wrung from the reluctant kings of England throughout the span of almost a thousand years. It means the end of those treasures because, in fact, it restores to the kings the very powers of which they were stripped. In United States, just as in England in more temperate degree and more orderly form and as in France, too, the state is being vested with vaster and vaster amounts of power to regulate more and more and more activities, and to perform more and more of those things which individuals formerly performed."

Blames U.S. for Many Ills

The United States he blames for many of the world's ills in the past few decades. "I am sufficiently optimistic to believe that had the post-war decade been dominated by reason rather than by prejudice, the story might have been different. The effort to depreciate the dollar, to restrict production in agriculture and industry, to induce by spending an inflation of prices, constituted the core of what was essentially a broad programme of an intensely nationalistic policy.

"The one policy initiated by the United States and imitated elsewhere which marks the whole post-war decade was one of economic nationalism expressed principally by barriers of trade," he said.

Why He Left Brain Trust

The new McGill head held his post as Director of the Federal Budget only from March, 1933, to August, 1934. His Montreal address makes the reason for his resignation from the brain trust very clear.

"The 1932 platform of the Democratic party," he declared, "truly represented the sort of liberalism which distrusts an excessive amount of power, whether it be vested in private hands or public agencies. It promised to strip the private hands of the excessive amount of power which they had acquired. It promised a central government of a reduced amount of authority. It promised a drastic reduction of expenditures. It promised to withdraw the special privileges — tariffs — which its predecessors had granted. It promised to fit into what was essentially a liberal programme for drastic and international action.

"The essential philosophy of that platform has been almost wholly repudiated."

He dates this decisive swing in policy as April, 1933, only one month after he himself assumed high office.

With such a political and economic philosophy, Douglas's position in the Roosevelt camp was anomalous and impossible. He had lost the personal confidence of the president, although formerly he had been in the "bed-side cabinet" with Raymond Moley and Lewis Howe. Less and less was Roosevelt and Co. desirous of criticism, no matter how tonic.

Budget Douglas Triumph

Political observers called the Douglas-written budget of 1934-5 "the best ever drafted from a purely technical point of view." The Economy Bill was Douglas handiwork. It was a triumph for Douglas and for the president too. First, it lured the Tories into allowing Roosevelt still wider discretionary power, which Douglas lamented. That accomplished, Roosevelt introduced modifications on behalf of the clamorous veterans as a means of luring radicals into line.

Political observers were openly mystified as to why Douglas stayed at his post even as long as he did. Was he waiting for a swing of the political pendulum which would send him skyrocketing? Was he going to be fusion candidate for the presidency if conservatives of both parties merged to defeat the New Deal? Was he going to be the rallying point if business should recapture control of the Democratic party?

Finally, the Douglas resignation went in. Douglas frankly announced that unless the budget were going to be balanced there was no proper work for a budget director to do.

Leaves Corporation Post

Soon after the resignation, Douglas assumed his first active business post as vice-president of American Cyanamid Co., which he holds to December of this year.

Married in 1921 to Peggy Zinsser, Douglas has three children, Stuart, Peter and Sherman. His home is in Phoenix, Arizona, and he keeps a New York address at Rockefeller Plaza.

Although, through his appointment at McGill, Canada is in a sense repatriating the scion of one of its most distinguished families, it is understood that Dr. Douglas will retain his American citizenship.

There would be a parallel in this, too. His grandfather went to the United States to become famous and wealthy but never gave up his Canadian citizenship.

Steel Wares Quorum Assured

From Our Own Correspondent

MONTREAL.—Sufficient proxies have been received by General Steel Wares to assure a quorum at the special meeting of shareholders to pass upon the scheme of arrangement to do away with the arrears of dividends on the preferred stock through the issuance of additional common shares.

Under the by-laws of the company it is only necessary to secure 20% of the outstanding stock for a quorum. A majority vote either for or against the plan constitutes 75% of the stock represented at the meeting.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Brampton, Ont.	Oct..	J. L. Graham & Co.	3½%	5-ins.	$20,000	101.75	3.12%
Woodstock N.B.	Oct...	Sutton Bros.	4%	25-ser.	56,000	98.17	4.18%
St. Laurent, Que.	Oct...	Provincial Bank	4%	1938-51	30,000	100	....
Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Oct...	..	...	Dec. 31/37	$25,000,000	99.835	.660%

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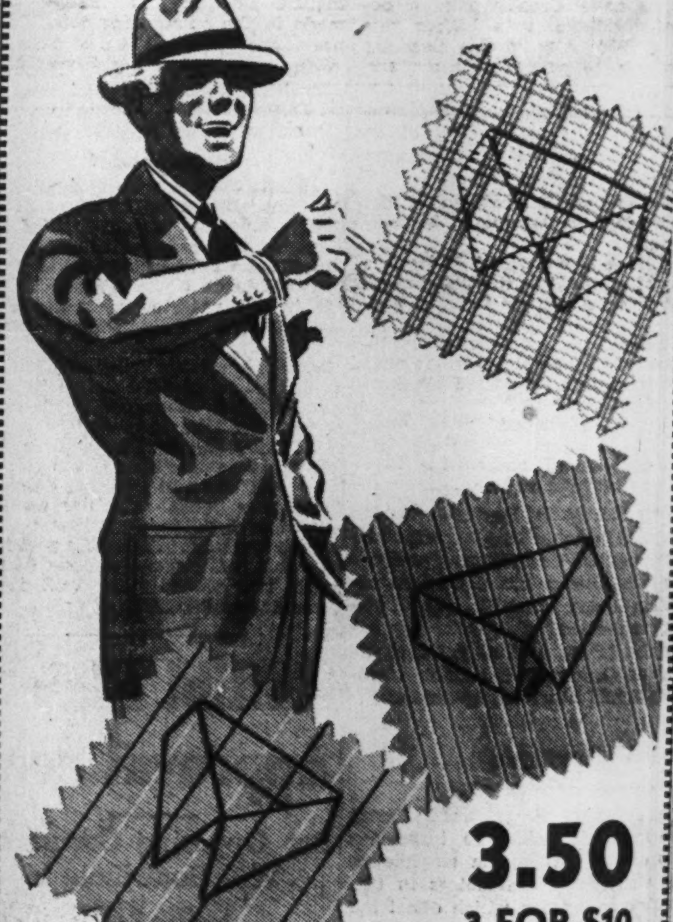

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Canadian Companies Headed For New Peak In Dividend Record

Total for 1937 Expected to go Over $300 Millions, Hitting New All-time High for Dominion — All Industries Contribute

Canadian companies appear to be headed for a new high level in dividends paid this year, even without allowing for any increase in November and December payments.

Total dividends paid or declared, including estimates by The Financial Post for October, amount to $219.6 millions for the first 10 months of 1937, compared with $178.3 millions in the corresponding period of 1936, an increase of $41.3 millions. In the last two months of 1936, dividend payments totalled $82.7 millions. Without allowing for any increase over these amounts in the corresponding months of 1937, Canadian companies should pay $302.3 millions to their shareholders.

Actual payments for 1936 were estimated at $260.9 millions, and in the peak year of 1930 dividends totalled $284.6 millions. This year Canadian companies, therefore, will pay to their shareholders in dividends about $41.4 millions more than in 1936 and around $17.7 millions more than in 1930. This estimate for 1937 does not allow for any increase in dividends paid in the last two months of the year, though it seems reasonable to assume that, since every month in 1937 so far has shown an increase over the corresponding month of 1936, November and December may also show some increase. Dividend payments to date as compared with last year follow:

Canadian Dividends

	1937 $	1936 $
Jan.	22,442,635	16,032,664
Feb.	5,722,623	4,311,291
March	21,500,656	19,176,291
April	20,917,443	16,161,634
May	6,847,152	3,332,394
June	76,642,169	61,642,169
July	31,212,047	23,408,231
Aug.	4,564,939	3,580,447
Sept.	19,226,197	14,610,376
Oct.	19,489,503	16,018,636
Nov.	....	4,680,066
Dec.	....	78,000,150

Only 13 Decreases

A total of 127 companies covered by The Financial Post has increased regular dividend rates, declared initial dividends, paid or declared extras or made payments on arrears of dividends in the first ten months of 1937. Only 13 companies have reduced or passed dividends. This does not include mining companies which are reviewed on Page 19 of this issue.

Among the 13 companies which have decreased or passed dividends are three textile concerns, two trust companies, two companies active in refining or distributing petroleum and the balance divided among various industries.

Increases Widely Distributed

The trend toward payment of higher dividends, extras or liquidation of arrears seems to have been widely distributed throughout a list of Canadian companies so far in 1937. Among companies engaged in steel, construction, or related industries, 19 have already paid or declared dividends at a higher rate than in 1936. Also in this class are 11 utilities, 12 insurance, banks and trust companies, 15 companies engaged in the food and beverage industries, nine textile companies and those making or distributing hats or shoes, eight concerns refining, distributing or producing petroleum and four retail concerns, chain stores or wholesalers. Seventeen investment trusts have also announced higher dividend payments.

December dividend payments were much larger in 1936 than any other month and this probably will be the case again this year. No accurate estimate can yet be made of payments likely to be made in December and there is the possibility that higher taxes and costs may reduce the amount which would otherwise have been distributed.

Interest Payments Also Up

In 1936 bond interest payments were $9.5 millions lower than in 1935, but this probably will not be the case in 1937. To the end of October, interest payments, already made or scheduled for the present month, total $346.8 millions compared with $333.8 millions for the corresponding period of 1936, an increase of $13 millions. If interest payments are maintained in November and December at the same rate as in the corresponding months of 1936, the year's total will be up moderately.

The year 1936 saw a large amount of bond refunding at lower interest rates. Some of this has been done in 1937, but it does not appear to have had any great effect on total interest payments.

National Steel To Pay 50 Cents

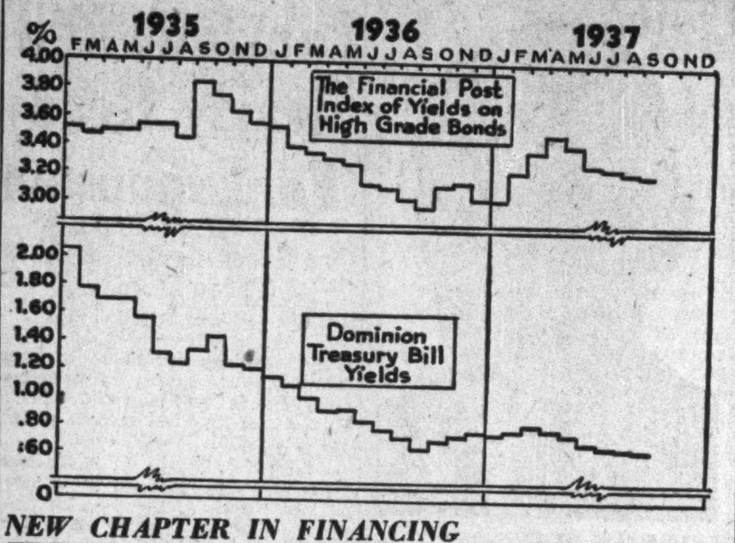
From Our Own Correspondent

MONTREAL.—National Steel Car has declared a dividend of 50 cents a share, payable October 15 to shareholders of record Oct. 8. This is the first dividend since Jan. 1, 1933, when the dividend rate was 20 cents quarterly.

During the past year National Steel Car reported earnings of $1.30 a share on the 130,000 share of stock outstanding. At the end of last June the company showed a net working capital of over $1.2 million, the highest since 1932. The earned surplus amounted to $186,365.

Treasury Bill Sale

An increase in cost of financing by means of treasury bills is noted in the latest sale by the Dominion when $25 millions were sold at 99.83565, a cost basis of .660%. The bills were dated Oct. 1, 1937, and mature Dec. 31. No change was made in the outstanding total. Last previous sale was on a cost basis of .632% in the middle of September.



NEW CHAPTER IN FINANCING

Some interesting differences in the fluctuations of yields on Dominion three-month treasury bills since this form of financing became on important part of the Dominion treasury's activities early in 1935 and those of the medium and long-term bonds composing The Financial Post index of high-grade government bonds, can be seen from the chart above. Generally the spread in these yields has been increasing and reached its greatest stage to date in April, 1937, after a series of sweeping declines had taken government bond prices down from the high point reached at the end of 1936. In this chart actual yields on Dominion treasury bills have been used and where more than one sale took place in a month, these have been averaged. The Financial Post index of government bond yields on corresponding dates has been used.

October Dividends Rise $3.5 Millions From 1936

Dividends being paid by Canadian companies in October will total $19.5 millions compared with $16 millions in the October, 1936, according to an estimate by The Financial Post, an increase of $3.5 millions.

Bond interest payments in October of this year are down slightly from last year's figures, the 1936 amount being $44.5 millions compared with $45.3 millions.

Included among the five companies making payments on arrears of dividends in October are the following: Canada Bread, 12½ cents on the class B preferred; Standard Steel Construction, 75 cents on the class A preferred; Easy Washing Machine, 35 cents on its preferred; Gould Pumps, $2 on its preferred; Investment Foundation, 25 cents on its preferred; Loew's London Theatres, 35 cents on the preferred; North Star Oil, 8¾ cents on its preferred; and Sherwin-Williams, $1.75 on the preferred.

Nine Extra Dividends

Nine companies are paying extra dividends in October, including six gold mines. Largest extra payment will be made by Canada & Dominion Sugar with $1 a share, followed by Building Products with 25 cents a share and Fanny Farmer with the same amount. Other companies paying extra dividends include Bralorne, Hollinger, Premier Gold, Sheep Creek Gold, Wright-Hargreaves and Teck-Hughes.

Initial dividends are being paid by Commercial Alcohols with 10 cents a share on the preferred and Stedman Brothers with 25 cents a share on its preferred.

Maple Leaf Gardens is paying 50 cents a share on its preferred where the last payment was 35 cents a share made in October, 1936. National Steel Car is resuming dividends after a long period of no returns to shareholders with a payment of 50 cents a share.

Summary of October Payments

	1937 $	1936 $
Dividends	19,489,503	16,018,636
Bond interest	44,553,506	45,321,377
	64,043,009	61,340,013

Dividend Payments

Company	Rate $	Date	Amount $
Acme Glove	12½q	1	3,000
Do., pref.	1.62½q	1	11,177
Agnew Surp., pf.	1.75q	1	16,383
Alta. W. Pres., pfd.	1.75q	1	4,291
Amer. Cyan. A, B.	.15	1	378,055
Assoc. Brew., pfd.	1.75q	1	15,909
Bk. of N. Scotia	3q	1	360,000
Barker's Bread, c.	8c	1	1,760
Belding Cort.	1q	1	7,495
Do., pref.	1.75q	1	15,142
Bell Telephone	2q	15	1,571,418
Bralorne Mines	.10q	15	124,700
Do., extra	.10	15	124,700
Brant. Cordage, pf.	.32½q	15	13,000
Brazilian Tr., pfd.	1.50q	1	5,901
B. Amer. Oil	.25q	1	655,660
B. C. Elec. Pr., pf.	1.50q	1	75,000
B. C. Power, A	.50q	15	500,000
Bldg. Prod., A, B.	.50q	1	60,423
Do., extra	.25	1	30,211
Brockville Trust	.62½q	1	6,250
Burlington Steel	.15	1	21,000
Burt, F. N.	.50q	1	53,824
Burry Bisc., pfd.	.75q	1	7,486
Canada Bread, 1st pf.	1.25q	1	15,625
Do., B pref.	.62½q	1	15,625
Do., arrears	.12½	1	3,125
Can. & Dom. Sugar	1▲	1	500,000
Canada Life	5q	1	50,000
Can. Nor. Pwr., pf.	1.75q	15	96,250
Do., com.	.30q	25	120,000
Canada Packers	.75q	1	150,000
Can. Breweries, pf.	.50q	15	81,714
Can. Canners, 1st pf.	.25q	1	48,560
Do., 2nd pfd.	.15q	1	54,559
Can. Cottons	1q	1	27,156
Do., pref.	1.50q	1	54,922
Can. Fairbanks, pfd.	1.50q	15	17,545
Can. For. Invest.	.40q	1	29,366
Do., pref.	2q	1	20,000
Can. Gen. Elec.	1.50q	1	283,267
Can. Gen. Invest.	.12½q	15	75,073
Can. Industries A, B.	1.75	30	1,195,250
Do., pref.	1.75q	15	81,375
Canadian Oil, pf.	2q	1	40,000
Can. Perm. Mtge.	2q	1	140,000
Can. Westinghouse	.50q	1	273,000
Can. Wire, Bos, A.	.37½q	1	20,679
Cariboo Gold	.02½q	1	33,332
Carnation, pfd.	1.25q	1	48,615
Celanese of Amer.	.75	1	750,000
Do., prior pf.	1.75q	1	200,931
Central Can. Loan	2q	1	50,000
Chartered Trust	1q	1	10,000
Comm. Alcohol, pf.	*.10	15	5,000
Cons. Bakeries, ord.	.25q	1	79,610
Consumers' Gas	2.50q	1	351,380
Cosmos Imperial, pf.	1.25q	15	6,250
Crown Trust	1.75q	1	17,500
Dome Mines	1q	20	973,334
Dominion Bank	2.50q	1	175,000
Dominion Coal, pf.	.37q	1	88,800
Dom. Foundries	.25	15	33,000
Dominion Glass	1.25q	1	53,125
Do., pref.	1.75q	1	45,500
Dom. Textile	1.25q	1	337,500
Do., pref.	1.75q	15	33,960
Eastern Steel, pfd.	1.75q	1	6,146
Easy Washing, pf.	‡.35	1	2,521
Economic Trust	.62½	1	24,953
Fanny Farmer	.25q	1	97,617
Do., extra	.25	1	97,617
General Trust, pf.	1.50q	1	16,500
Goodyear Tire	.62q	1	159,501
Do., pref.	.62½q	1	75,000
Gould Pumps, pfd.	‡2	15	14,950
Gt. Lakes Power, pf.	1.75q	15	13,125
Gt. West Life	5q	1	50,000
Hamilton Cotton, pf.	.50	1	10,000
Hinde & Dauch	.25q	1	74,983
Hollinger Cons.	.05	7	246,000
Do., extra	.05	7	246,000
Huron & E. Mtg.	1q	1	50,000
Inter. Milling, pf.	1.25q	15	55,896
Inter. Power, pfd.	1.50q	1	120,000
Inter. State Rlty. A.	.28q	1	20,187
Invest. Found., pfd.	.50q	15	44,685
Do., arrears	.25	15	22,342
Jam. Pub. Service	.43¾q	1	19,687
Do., pref.	1.75q	1	13,125
Landed Banking	1.25q	1	12,500
Lang, J. A.	.17½q	1	17,500
Loew's London, pf.	‡.35	15	11,809
McColl-Fron. pfd.	1.50q	15	116,511
Maple L. Gardens, pf.	.50	15	40,000
Mitchell, J. S., pf.	1.75q	1	4,866
Monarch Knit. pf.	1.75q	1	13,125
Mtl. C. & D. Sav.	3q	1	60,000
Mtl. L. H. & Pr.	.37q	30	1,660,931
Montreal Tele.	.80q	15	40,000
Montreal Trams.	2.25q	15	157,500
Moore Corp.	.40q	1	136,175
Do., pref. A, B	1.75q	1	79,180
National Brew.	.50q	1	360,686
Do., pref.	.44q	1	48,840
National Grocers, pfd.	1.75q	1	51,681
Nat. Steel Car	.50	15	65,000
National Trust	2q	1	60,000
Niagara Wire	.50q	1	59,000
Nipissing Mines	.12	20	144,000
North Star Oil, pf.	‡.08¾	1	17,500
N. S. L. & Pr., ord.	1.25q	1	43,153
Ogilvie Flour, c.	2q	1	150,000
Ont. Loan & Deb.	1.25q	1	50,000
Ottawa L. H.	1.50q	1	52,500
Do., pref.	1.25q	1	21,250
Ottawa Traction	.50q	1	28,038
Page Hersey	1	1	174,276
Petrol. Oil & Gas	.02s	1	4,400
Pioneer Gold	.10q	1	175,175
Porto Rico Pr., pf.	1.75q	1	17,500
Power Corp., pf.	1.50q	15	75,000
Do., 2nd pref.	.75q	15	75,000
Premier Gold	.03q	15	150,000
Do., extra	.01	15	50,000
Pressed Metals	.50q	1	62,144
Prov. Paper, pf.	1.75q	1	61,250
Remington-Rand	.35	1	547,608
Reno Gold	.03q	1	56,400
R. S. Mills, A	.50q	1	15,000
Root Petroleum, pfd.	.30q	1	12,853
Sheep Creek Gold	.02q	15	37,500
Do., extra	.01	15	18,750
Sher.-Williams, pf.	‡1.75	1	60,550
Smith, H. Paper, pf.	1.50q	15	93,736
South. Can. Pwr., pfd.	1.50q	15	106,333
Stand. Fuel. pfd.	1.62½q	1	18,686
Stand. Steel, pf. A.	.75q	1	17,132
Do., arrears	.75	1	17,132
Stedman Bros., pf.	*†.25	1	15,000
Do., com. (new)	.15	1	13,500
Tamblyn	.20q	1	22,400
Do., pref.	.62½q	1	3,750
Teck Hughes	.10q	1	480,714
Do., extra	.05	1	240,357
Tip Top Tailors	.15q	1	18,000
Do., pref.	1.75q	1	20,917
Tor. Gen. Trusts	1q	1	30,000
Tor. Mortgage	1.50q	1	29,595
Tuckett Tob., pf.	1.75q	15	35,000
United Secs.	.50q	15	25,630
Viau, Ltd., pref.	1.25q	1	11,825
Wabasso Cotton	.25q	1	17,475
West Koot. Pr., pfd.	1.75q	1	8,750
West. Grocers	.75q	15	12,706
Do., pref.	1.75q	15	20,899
Weston, Geo., c.	.20q	1	80,176
Wr. Hargreaves	.10q	1	550,000
Do., extra	.05	1	275,000
			19,489,503

m—Monthly. q—Quarterly. s—Semi-annually. *Initial. ‡On arrears. †Interim. ▲Extra. ■Paid for one month period only.

Bond Interest Due in October

	1937 $
Corporation	9,239,966
Municipal	7,866,458
Provincial	7,005,514
Dominion	20,441,568
Total	44,553,506

Burlington Steel Co. Reports Improvement

J. B. Carswell, president of Burlington Steel Co., states the output of the company has increased, as compared with 1936, as a result of generally improved demand for steel products and because of betterments to plant and equipment made in recent years.

Mr. Carswell says the volume of business for the first nine months has been very good, and indications point to a continuation of such satisfactory operations for the rest of the year. Costs of raw materials and other items have increased, but operating results should be well in advance of last year's figures.

Earnings in 1936 amounted to 40 cents a share on the present stock. The dividend rate of 15 cents a share quarterly, or 60 cents annually, indicates substantial improvement of earnings in the current year.

Zellers' Sales Gain in 1937

Montreal Variety Chain Shows Expanding Operations in Past Year

From Our Own Correspondent

MONTREAL.—Zellers Ltd., operators of a chain of 22 variety stores in Ontario, Quebec, Manitoba and New Brunswick, report sales during the five months ended June 30 last of nearly $1,895,356 and net profit of $62,353. This contrasts with $1,659,138 and $51,759, respectively, for the corresponding period in 1936.

The last year for which complete details are available, the 12 months ended Jan. 31, 1937, shows sales of $4,462,338. This compares with sales of $4,157,461 in the previous year. Profits before debenture interest, depreciation and taxes, totalled $281,858, as against $202,815 in the year before. Net profits after all charges in 1936-37 totalled $146,351, up from $79,980 in 1935-36.

Particulars of the profit and loss statement for the year ended Jan. 31, 1937, follow:

Income and Surplus Account
Year Ended January 31, 1937

	$
Sales	4,462,338
Less: Cost of sales	4,128,630
Exec. salaries	39,210
Professional fees	5,428
Operating profit	289,070
Less: Develop. expense	6,735
Sundry interest	2,056
Debenture interest	12,531
Depreciation	93,585
Income tax	28,000
Net for year	146,162
Previous surplus	9,581
Less: Pfd. dividend	16,275
Ins. premium	779
Balance	138,689

At the end of last January Zellers's balance sheet showed assets totalling $1,626,637. Current assets aggregated $588,413; investment and advances to subsidiaries, $29,500; fixed assets, less depreciation reserve of $345,472, and $1,008,723.

On the other side of the balance sheet current liabilities are shown at $234,334; debentures outstanding $200,000; preferred stock $542,500; and 100,000 common shares. Since then debenture stock has been reduced to $187,500 and the preferred increased to $750,000 and the common to 125,000 shares.

G. Tamblyn Reports Quarterly Sales Growth

G. Tamblyn, Ltd., reports sales for the three months ended Sept. 30, 1937, increased considerably over the same period of 1936. Earnings, according to W. E. Corlett, president, are continuing at a satisfactory rate. This information is included in a letter accompanying the regular 20 cents a share dividend paid for the quarter ended Sept. 30.

The company opened its 63rd store in Ottawa late in June and it is stated to be doing very well. One of the Toronto stores and one in Hamilton have been remodelled and modernized

Brandram Sales Ahead This Year

From Our Own Correspondent

MONTREAL. — Sales of Brandram-Henderson Ltd. for the current year to date are reported by Norman Holland, president and managing director, to have shown a noticeable improvement. This applies to all sales areas in the Dominion as well as in Newfoundland. There has been a seasonal lull lately, but the outlook for the remainder of the year is encouraging, according to Mr. Holland.

B.A. Oil Profits Reported Higher

Canadian Sales Are Up — U. S. Operations Satisfactory

J. C. Millar, treasurer of British American Oil Co., informs shareholders that sales of the company continue to show a substantial increase, in line with current business improvement, and that earnings to date are well above the level of 1936.

In his letter accompanying Oct. 1 dividend, he says: "Operations of the company's U.S. subsidiaries to date indicate that the 1937 annual report will be a satisfactory one." The producing company is expected to fulfill predicted output of crude oil.

In 1936 the company had total earnings equivalent to $1.41 a share, consisting of approximately 95 cents a share from Canadian operations and 46 cents a share from U.S. subsidiaries. The American subsidiaries retained in their treasuries approximately as much in earnings as the parent company drew in dividends. Had total earnings from American sources been included in the parent company's statement, total net profit would have been shown around $2 a share.

Gatineau Power Share Distribution Is Revised

From Our Own Correspondent

MONTREAL.—Revision in the distribution of the new shares of Gatineau Power Co. to the holders of Canadian Hydro Electric Corp. second preferred and common stock, is set out in a statement by the Montreal Stock Exchange.

For each share of 6% non-cumulative second preferred stock, there will be issued 5.27 fully paid new common shares of Gatineau Power and for each share of common stock of Canadian Hydro there will be issued 12/100s of a common share of Gatineau Power Co.

The number of common shares of Gatineau Power outstanding upon the completion of the reorganization will then be 1,621,560.

You may control your property and escape the burden of management

MANY persons of means — both large and small — desire to be freed from the tedious details of management and still retain control of their property.

Our "Agency Service" will accomplish this satisfactorily for clients.

Let us explain.

Crown Trust Company

Executors :: Trustees :: Financial Agents

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TORONTO
80 King Street West

Let us serve you and your family

FROM NEW YORK JANUARY 8, 1938
MADEIRA GIBRALTAR ALGERIA MONACO ITALY GREECE PALESTINE EGYPT INDIA CEYLON

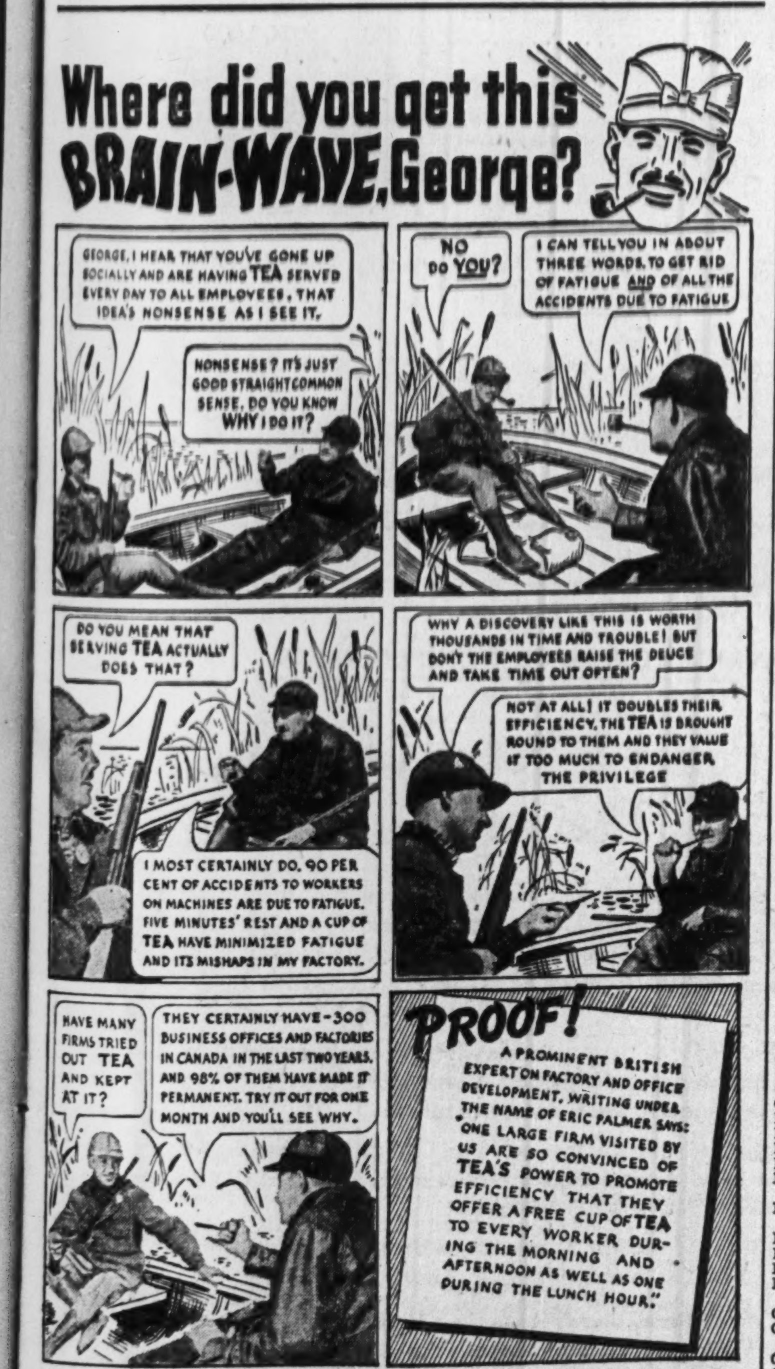
Four Full Months

128 Days of the "Supreme Travel Experience"
See the world amply, leisurely, luxuriously in *128 days.* 28 ports. 22 countries. Go in the ship that is the largest liner ever to carry the British flag in the Orient. Fares as low as *$2300* (*for 128 days —$18 per day*) including exceptional shore programme. See YOUR TRAVEL AGENT or

E. F. Thompson, Steamship General Agent, Canadian Pacific Building, Toronto.

STRAITS SIAM JAVA BALI PHILIPPINES CHINA JAPAN HAWAII CALIFORNIA PANAMA

Empress-Britain
128 Day WORLD CRUISE
Canadian Pacific

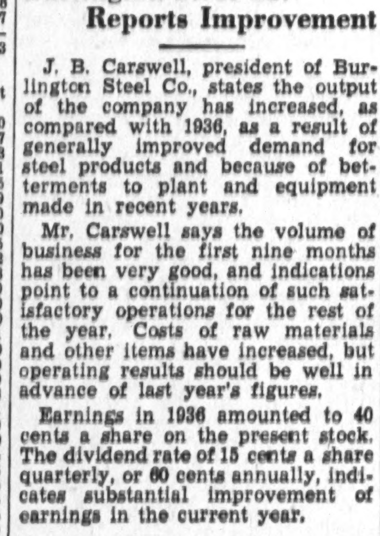

Where did you get this BRAIN-WAVE, George?
GEORGE, I HEAR THAT YOU'VE GONE UP SOCIALLY AND ARE HAVING TEA SERVED EVERY DAY TO ALL EMPLOYEES, THAT IDEA'S NONSENSE AS I SEE IT.
NONSENSE? IT'S JUST GOOD STRAIGHT COMMON SENSE, DO YOU KNOW WHY I DO IT?
NO DO YOU?
I CAN TELL YOU IN ABOUT THREE WORDS. TO GET RID OF FATIGUE AND ALL THE ACCIDENTS DUE TO FATIGUE
DO YOU MEAN THAT SERVING TEA ACTUALLY DOES THAT?
MOST CERTAINLY DO. 90 PER CENT OF ACCIDENTS TO WORKERS ON MACHINES ARE DUE TO FATIGUE. FIVE MINUTES' REST AND A CUP OF TEA HAVE MINIMIZED FATIGUE AND ITS MISHAPS IN MY FACTORY.
WHY A DISCOVERY LIKE THIS IS WORTH THOUSANDS IN TIME AND TROUBLE! BUT DON'T THE EMPLOYEES ABUSE THE PRIVILEGE AND TAKE TIME OUT OFTEN?
NOT AT ALL! IT DOUBLES THEIR EFFICIENCY. THE TEA IS BROUGHT ROUND TO THEM AND THEY VALUE IT TOO MUCH TO ENDANGER THE PRIVILEGE
HAVE MANY FIRMS TRIED OUT TEA AND KEPT AT IT?
THEY CERTAINLY HAVE - 300 BUSINESS OFFICES AND FACTORIES IN CANADA IN THE LAST TWO YEARS, AND 98% OF THEM HAVE MADE IT PERMANENT. TRY IT OUT FOR ONE MONTH AND YOU'LL SEE WHY.
PROOF! A PROMINENT BRITISH EXPERT ON FACTORY AND OFFICE DEVELOPMENT, WRITING UNDER THE NAME OF ERIC PALMER SAYS: "ONE LARGE FIRM VISITED BY US ARE SO CONVINCED OF TEA'S POWER TO PROMOTE EFFICIENCY THAT THEY OFFER A FREE CUP OF TEA TO EVERY WORKER DURING THE MORNING AND AFTERNOON AS WELL AS DURING THE LUNCH HOUR."

FREE DEMONSTRATION—Write or phone to the Tea Market Expansion Bureau, 159 Bay St., Toronto (or to our offices in Montreal, Winnipeg and Vancouver) and we will gladly arrange to serve a cup of tea at four o'clock for one month to your office or factory staff without cost or obligation to you.

Tea revives you

ANYTIME IS TEA TIME

11-38



Rounded Edges
MAKE IT A PLEASURE TO WRITE WITH A
VENUS-VELVET

No more finger fatigue! The rounded edges of Venus-Velvet pencils make writing for longer periods easier. Only a small thing, perhaps ... but indicative of the unceasing care and quality which make smooth-writing Venus-Velvets outstanding value at 5¢. Your dealer has them.

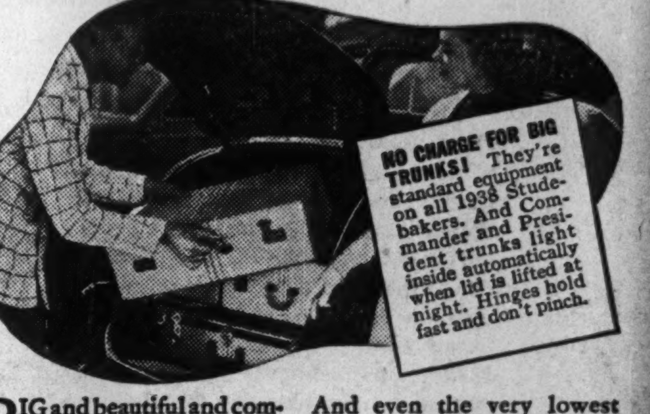
5¢ VENUS-VELVET PENCILS
MADE IN CANADA

Studebaker presents 3 great new 1938 cars!

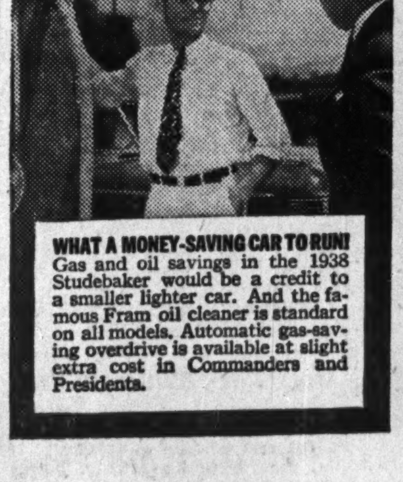
LOOK AT THIS ROOMY FRONT SEAT! It's 55¼ inches wide in all 1938 Studebaker models. And with the new vacuum actuated Studebaker Miracle Shift, available at slight extra cost in Presidents and Commanders, the floor is completely clear. Seat adjusts backward and forward as well as up and down.

NEW 1938 STUDEBAKERS

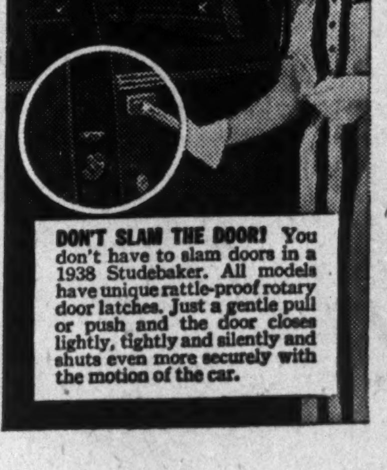
Lowest priced Commander...lowest priced President...in Studebaker history...and a new Six...the greatest dollar values Studebaker has ever offered!



NO CHARGE FOR BIG TRUNKS! They're standard equipment on all 1938 Studebakers. And Commander and President trunks light inside automatically when lid is lifted at night. Hinges hold fast and don't pinch.



WHAT A MONEY-SAVING CAR TO RUN! Gas and oil savings in the 1938 Studebaker would be a credit to a smaller lighter car. And the famous Fram oil cleaner is standard on all models. Automatic gas-saving overdrive is available at slight extra cost in Commanders and Presidents.



DON'T SLAM THE DOOR! You don't have to slam doors in a 1938 Studebaker. All models have unique rattle-proof rotary door latches. Just a gentle pull or push and the door closes lightly, tightly and silently and shuts even more securely with the motion of the car.

BIG and beautiful and completely new in every vigorous flowing line, the glamorous 1938 Studebaker has come to town in all its glory.

Until you see it and drive it, you can't even begin to imagine how thrilling and different a truly modern automobile can be.

Never since Studebaker cars were first built has a small amount of money bought you so much impressive Studebaker luxury and fineness.

And even the very lowest priced 1938 Studebaker includes as standard equipment without extra charge an oversize trunk . . . doors that close tightly without slamming . . . safety glass all around . . . twin windshield wipers, tail lamps and sun visors . . . a new horizontal transmission that makes possible a flat front floor . . . finest hydraulic shock absorbers . . . and independent planar wheel suspension gives you the unforgettably comfortable Studebaker Miracle Ride!

The Studebaker Corporation of Canada, Ltd.
Walkerville, Ont.

Investment Trends

Decline of Stocks Gives Prices Allure

Common Shares May Be in Buying Range But Investor Can Afford to Await Further Developments—Bank Shares Hold Up Well

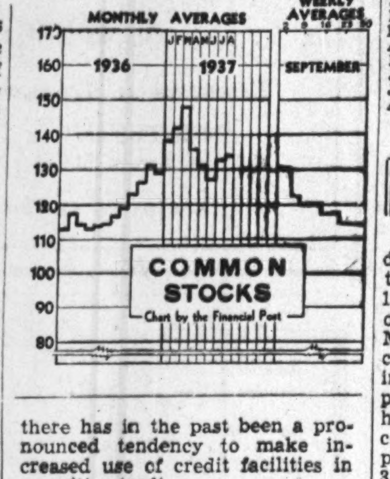
Renewed weakness in stocks this week following the moderate recovery from the lows recorded on Sept. 20 is not regarded as surprising by market analysts who have suggested that it is not yet clear that a firm bottom has been established.

The lows for market averages on the decline to Sept. 24 were 79.7 for the Montreal Stock Exchange index, 136.5 for the Toronto Stock Exchange average and 147.4 for Dow-Jones industrials in New York. The Canadian markets have recently had an appearance of greater resistance to decline than New York.

According to theoretical analyses, the decline has carried prices close to levels from which it would not be unusual for a rebound to develop.

While keeping in mind the possibility of lower prices, one investment service comments that "prices of individual issues have reached a point where their accumulation, from an investment angle, seems warranted." It recommends that investors who have their funds divided 50-50 between short-term bonds and common stocks should now increase the stock holdings to 60% of the total fund.

There is the possibility that if a rebound carries market averages about half way back to their previous peaks it may be followed by another decline. Although stocks may now be in a buying zone, the conservative investor need not be too hasty.



Alberta and Bank Shares

Shares of the chartered banks have held up well under the double blows of the general decline of stocks and grossly discriminatory taxation in Alberta. The fact is, of course, that many of the bank branches in Alberta are unprofitable, but if any extensive banking service is to be maintained in the province the banks might have to pay heavily for rendering it.

The Alberta taxation is fantastic, of course, but cannot be overlooked by the investor who is interested in bank shares. It is to be hoped that the steadiness of bank shares under the lunatic impost means that there is little prospect of the taxes being levied. The precedent of disallowance has now been established.

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Activity in Stocks

Characteristic of a period of rapidly declining prices, volume of trading increased on Canadian exchanges in September. On the Montreal Stock Exchange and Montreal Curb Market, industrial turnover was 1,465,440 shares compared with 669,500 in August. In mines the volume was 2,648,607 shares against 1,588,861 in August. While September volume in industrials was higher than in the same month of 1936, mining volume was lower than last year. This reflects the fact that speculation in mine shares dwindled earlier this year than in industrials.

Unfortunately, segregation of figures between mines and industrials is not available in the Toronto Stock Exchange returns. But volume was 15,216,742 shares in September compared with 12,313,582 in August.

After such a stock market decline as occurred between Aug. 14 and Sept. 14, there is usually a dwindling of volume. If a period of relative quiet develops, it should afford the investor an opportunity to get his balance and to appraise the relative merits of individual stocks.

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Market's Forecast

The relative trend of borrowings of stock brokers on securities and the general level of stock prices is the subject of a brief analysis in the October bulletin of the Montreal Stock Exchange. The conclusion:

> "It has been typical of previous bull markets that collateral borrowings have tended to increase at a faster rate than security values. With an advance of prices there has in the past been a pronounced tendency to make increased use of credit facilities in securities trading . . .
>
> "This trend has been largely absent in the past three or four years, showing a high proportion of trading for cash. In other words, despite a protracted upward movement in values, we appear to be very far from any dangerous over-expansion of credit in the securities market."

Stock brokers' borrowings reflect speculation, being loans contracted largely to carry clients' margin accounts. In Toronto, as in Montreal, there has been a slight decrease in the ratio of loans to values this year. The subject is worth the continued attention of the investor.

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Joy Oil Competition

Toronto City Council has finally granted permission to Joy Oil Co. to erect overhead storage tanks on waterfront lands of the Harbor Commission. The company already has service stations in operation selling its own brand of gasoline at 14 4/5 cents a gallon, plus tax.

There has been strong opposition to the Joy entry into Toronto on the ground that it may cause a gasoline price war with serious effects on other firms retailing gas and oil. Among those that might be affected are McColl-Frontenac, Canadian Oil, B. A. Oil, Imperial Oil, Crown Dominion Oil, Supertest Petroleum, Thayers, and companies without direct investment interest.

The investor will note that companies like B. A. Oil and Imperial Oil which have their own large oil producing interests are in the most favorable position in any unusual competition that may develop.

Provincial Paper Earnings Double

Bond Interest and Preferred Dividends Covered by Wide Margin

In the first eight months of 1937, earnings of Provincial Paper Ltd. were nearly double those of the corresponding 1936 period. The monthly earnings are disclosed in a letter mailed this week by the Bondholders' Representative Committee of Abitibi Power & Paper Co., which firms owns all 100,000 of Provincial's common shares. The earnings are shown after depreciation, bond interest and preferred dividends, and represent the amount available for income taxes and for the common stock.

The figures show that after depreciation Provincial Paper has been earning its bond interest approximately four times and that profits have been well over twice preferred dividend requirements after an allowance for income taxes.

The comparative figures, which have not been audited and are subject to year-end adjustment, are as follows:

Monthly Net Income
(After depreciation, interest and preferred dividends)

Month	1937 $	1936 $
January	20,406	671
February	17,676	2,109
March	29,887	14,835
April	37,137	27,395
May	36,280	23,289
June	36,118	14,403
July	35,656	20,686
August	41,765	25,049
	254,927	128,437

Investment Notes

G. Tamblyn, Ltd.—Net profit per dollar of sales has been 3.4 cents in the first six months of 1937 against 1.4 cents in the corresponding period of 1936, as pointed out by Cochran, Murray & Co. in a review of the company's operations. Better showing in 1937 is attributed to retail price adjustments to absorb the higher sales tax, which were not completed in the 1936 period. Company's profit margin per dollar was 3.7 cents in 1932, 3.4 cents in 1933, 3 cents in 1934, 3.6 cents in 1935 and 3.1 cents in 1936.

• • •

Massey-Harris—In a brief summary of the situation of the company, Gardiner & Co., investment firm, expresses the opinion that this year preferred dividend requirements should be earned by a substantial margin. The stock carries arrears of dividends of $33.75 a share, but no dividends can be paid until $2 millions of bonds additional to regular sinking fund installments have been redeemed.

• • •

McColl — Common stock of this company has been going contrary to the general market trend. The stock dropped sharply on publication of last year's report, but current news is more favorable with the result that the stock has given a good account of itself in the present unsettled market.

• • •

Canadian Bakeries — Any net profit for the year recently concluded will be of small size, so there is no immediate prospect of dividends.

• • •

St. Lawrence Corp.—Both the A and common shares have not been acting too well. Aside from general market conditions, accounting for the greater proportion of the decline in values, there appears to be an inclination to hold off support.

• • •

Fraser V. T. — When the first break came in the market, there was some hasty unloading in this stock. The precipitate drop in value did not strengthen confidence of those who bought into Frasers on the belief that this is the "golden age for cellulose." Despite the sharp contraction in value of the stock, the company is doing well and should report a nice increase in earnings for 1937.

Abitibi Plan Expected To Pass at Meeting Opposition at Work

(Continued from page 1)

means of affording bondholders early opportunity to receive a return upon their investment.

"3. The opposition of junior interests seeking delay makes it all important that the bondholders support their committee."

Comment by J. P. Ripley

In a report by the Representative Committee to bondholders, J. P. Ripley, chairman, comments on various criticisms that have been made of the reorganization plan. As to provision for $14 millions of prior lien bonds to give the company new money, he calculates that the loan will leave a balance over current requirements of approximately $8¼ millions available for the following:

1. Improvements estimated to cost $8.3 millions.
2. Reorganization expenses.
3. Expenses of the new financing.

Differences of opinion on the amount of new money requirements, he says, may be resolved into the question of whether future earnings can be counted on as a source of funds for the improvement programme. "The committee," he says, "does not deem it prudent to rely on large future profits for highly desirable and profitable expenditures on the physical properties."

Mr. Ripley states that new money can be obtained more cheaply by giving it the senior position in the capital structure, and accordingly the committee believes this method is distinctly in the best interests of present bondholders.

Commenting on contention of the recently formed Bondholders' Defensive Committee that recent improvement of Abitibi earnings has so changed the situation that bondholders should not make "the sacrifice" involved in the Committee plan Mr. Ripley believes it of vital importance to avoid enthusiasm that may again prove to be unfounded.

The Representative Committee, Mr. Ripley says, believes that the securities to be received by bondholders under the plan will be greater than under any other plan yet proposed.

New Earnings Figures

New estimates of Abitibi earnings by Coverdale & Colpitts, New York engineering firm, are released in the letter of the Representative Committee. The figures are based on various tonnages and on prices for newsprint ranging from $42.50 to $55 a ton.

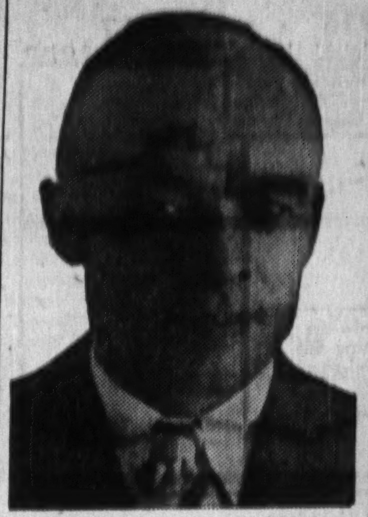
In connection with the figures it should be noted that the company's 1937 production of newsprint is expected to be 475,000 to 500,000 tons. As a price of $50 a ton has been announced for the first half of 1938, only the estimates at that figure and the $55 price are tabulated below:

***Estimated Earnings**

Sales:	Tons (000)	Tons (000)	Tons (000)
Newsprint	500	550	650
Pulp†	65	65	65
Newsprint at $50 a ton:	$ (000)	$ (000)	$ (000)
Earning pwr.	7,304	7,974	9,674
Depreciation	1,671	1,671	1,671
Balance	5,633	6,303	8,003
4½% bond int.	630	630	630
5% bond int.	1,207	1,207	1,207
Balance	3,796	4,466	6,166
Debenture int.	1,689	1,689	1,689
Balance	2,107	2,777	4,477
Income tax‡	316	417	672
Balance	1,791	2,360	3,805
Per share on 1,625,000 shs.	$1.10	$1.45	$2.34
Newsprint at $55 a ton:	(000) $	(000) $	(000) $
Earning pwr.	9,304	10,174	12,274
Depreciation	1,671	1,671	1,671
Balance	7,633	8,503	10,603
4½% bond int.	630	630	630
5% bond int.	1,207	1,207	1,207
Balance	5,796	6,666	8,766
Debenture int.	1,689	1,689	1,689
Balance	4,107	4,977	7,077
Income tax‡	616	747	1,062
Balance	3,491	4,230	6,015
Per share on 1,625,000 shs.	$2.15	$2.60	$3.70

*Excluding Provincial Paper and excluding idle plant expenses for Espanola and Sturgeon Falls properties. †Taken throughout at $55 a ton for bleached pulp at New York. ‡At 15%.

The figures are all based on the original capital set-up provided in the reorganization plan of the Representative Committee. The figures would be altered by exercise by shareholders of stock subscription warrants provided in the plan. Also, if bonds or debentures were converted into stock there would be reduction of interest charges.



LONDON MANAGER

Eric Choyce has been appointed manager of the newly-opened office of Cockfield, Brown & Co. in London, England.

Goodyear Tire Earnings Rise

Slight Increase in Prices to Meet Rise in Cost of Materials

Sales and earnings of Goodyear Tire & Rubber Co. of Canada have continued to show a satisfactory increase, A. G. Partridge, president, states in a letter to shareholders, accompanying Oct. 1 dividends.

Earnings, he says, are exceeding dividend requirements on preferred and common shares.

The first comment indicates an improvement in the rate of earnings over 1936, when $4.73 a share was shown on the common. The regular dividend rate is $2.50 a share, but early this year a bonus of $2.50 a share was paid. To cover both regular and bonus payments, earnings would have to exceed $5 a share on the common.

Mr. Partridge states that small increases in prices have been made in the past quarter to meet increased cost of raw materials, so that prospects look favorable for the balance of the year.

Work has been started on additional buildings at Bowmanville to provide space to take care of growing volume in mechanical and miscellaneous rubber parts. Additional textile machinery is being installed in the cotton plant at Ste. Hyacinthe, Que. Mr. Partridge states that these additions to plant and equipment will be completed shortly after the first of the year and should put the company in excellent condition to take care of 1938 business.

Hinde & Dauch Holding Gains

Prospect For Final Quarter is That Increases Will Be Held

L. F. Winchell, vice-president and general manager of Hinde & Dauch Paper Co. of Canada, states that demand for the company's products tapered off somewhat in the third quarter of the year, as compared with demand for the first six months But production totals for the nine months, he says, are well head of anything accomplished in the past. Present prospects are that in the final quarter none of the increases already made will be lost.

Referring to higher levels of raw material prices, Mr. Winchell states that on some items, particularly pulp, further advances have been made. The immediate prospect, he says, is that there will be no easing off for some time to come.

"This," he comments, "is undoubtedly indicative of two things—the necessity of meeting higher production costs and general confidence in the future that is held within the industry."

Discussing plant improvements, in his letter accompanying Oct. 1 dividends, Mr. Winchell says the company should enter 1938 in the best productive position in its history. New peaks of production have recently been reached, he adds, and on a basis that can be sustained.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.8	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	85.1	94.0	64.1	136.2
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
June	148.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
July	148.0	40.5	102.0	222.6	79.7	182.1	136.1	188.7	88.0	90.2	63.9	133.0
Aug.	151.2	40.4	95.2	223.6	79.5	182.0	136.9	192.7	90.4	89.9	65.2	135.2
Weekly Figures, 1937:												
Sept. 2	144.0	37.7	95.6	223.4	78.6	179.0	133.4	185.1	85.8	89.6	62.4	130.9
Sept. 9	134.3	32.4	92.7	210.7	76.0	172.4	123.9	168.3	79.4	88.2	58.1	122.7
Sept. 16	123.3	29.9	89.3	203.8	74.8	166.2	118.9	158.8	78.1	86.7	57.2	119.8
Sept. 23	120.2	28.3	89.2	203.8	73.0	165.6	117.8	156.3	78.5	85.1	57.2	117.6
Sept. 30	113.9	26.1	86.6	199.8	70.4	161.9	114.2	144.5	77.1	82.5	56.0	113.7

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 5	136.28	112.61	127.27
Oct. 4	139.66	116.55	131.69
Oct. 2	140.23	117.38	133.82
Oct. 1	140.18	117.52	131.72
Sept. 30	140.94	115.41	131.10
Sept. 29	140.79	112.58	128.27
Month ago	160.28	120.44	158.45
Year ago	148.16	137.48	153.59
High, 1937	187.67	168.59	215.36
Low, 1937	136.43	105.83	124.10

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 5	72.8	81.0	78.3
Oct. 4	73.6	84.6	80.9
Oct. 2	73.5	84.5	80.8
Oct. 1	73.4	84.3	80.6
Sept. 30	73.5	85.7	81.6
Sept. 29	73.5	84.4	80.8
Month ago	74.1	96.2	88.8
Year ago	77.2	86.3	83.3
High, 1937	92.5	122.3	109.5
Low, 1937	71.6	79.7	77.0

Deer Park Manor to Pay June 1, 1936, Interest

Interest coupon due June 1, 1936, on the 7% first mortgage bonds of Deer Park Manor Ltd., Toronto, apartment building, will be paid on and after Oct. 5, 1937. Last previous payment was made Jan. 18, 1937. The company earned 60% of bond interest, before depreciation, in 1936.

The company's taxes are paid to Dec. 31, 1937, and there are no overdue current accounts.

CANADA STEAMSHIP LINES LTD.

5% 1st MORTGAGE BOND DUE 2nd JANUARY, 1957

We offer these bonds at the market to yield approximately 7.05.

HANSON BROS.
INCORPORATED
Established 1883.
255 St. James St. W.
MONTREAL
Ottawa Toronto

Lamaque Mill Nearly Ready For Expansion

Ore Reserves Increased in Three Months Period

Net earnings per share of over four cents are shown by Lamaque Gold Mines subsidiary of Teck-Hughes, for the three-months period ended Aug. 31.

At Sept. 1, Dr. D. L. H. Forbes, president, reports, with the exception of the mill extension all construction work to bring mine and mill to a capacity of 1,000 tons daily had been completed. Work on the mill extension was well advanced.

No. 7 shaft was deepened 514.5 feet during the three-month period, to a depth of 1,903 feet. In addition, a station with loading pockets was cut on the 1,800-foot level. The present shaft objective at this property was 2,000 feet.

At Sept. 1, estimated positive ore, including 510,029 tons blocked and 102,862 tons broken was 612,891 tons, averaging 6.69 pennyweights, or, taking $1.75 as the present value of a pennyweight of gold, $11.71 per ton. This indicates a distinct improvement over reserves as at June 1, 1937, when the comparable figure was 570,496 tons of similar grade.

During June, July and August, the Lamaque mill handled a total of 50,905 tons, average grade of ore treated being $13.32.

Earnings and Output

Earnings:	$
Gross returns from bullion	668,478
Less: Dev., min. & expl. exps.	80,296
General exps.	57,165
Depreciation	60,127
Bond interest	20,833
Taxes	8,540
Bal. to surplus (est.)	131,512
Est. Earnings per Share	0.0438
Milling Results:	
Tons of ore treated	50,905
Average daily tonnage	553
Percentage recovery	96.6
Aver. grade of ore treated	$13.32

Inns Off Thompson Board

From Our Own Correspondent

MONTREAL.—Thompson Cadillac Mining Corp. has advised the Montreal Curb Market that Harold J. Inns has resigned from the board of directors owing to pressure of business.

Famous Players Canadian Corporation Limited
4½% First Mortgage Bonds
Due June 1st, 1951
Price: 96 and interest, yielding 4.89%

Famous Players Canadian Corporation Limited is the largest owner and operator of motion picture theatres in Canada.

The First Mortgage Bonds of this Corporation are well secured as to assets and earnings. During the current year, earnings are recording definite improvement over 1936, when bond interest requirements were earned 3.44 times after depreciation.

Descriptive circular with additional information will be forwarded upon request.

Wood, Gundy & Company
Limited
36 King Street West, Toronto
TELEPHONE: ELgin 4321

New Jones Bros. Bonds Ready for Exchange

New securities of Jones Bros. Co. of Canada are ready for exchange which is being made through the Toronto General Trusts Corp., Toronto.

Holders of the 6½% first mortgage bonds will receive $50 in new 6¼% 20-year bonds, five new preferred shares and two common shares for each $100 of bonds held.

MANUFACTURERS and
Exporters to United Kingdom and Northern Europe

Englishman seeking the agency, or sales representation, of meritorious Canadian producers—food commodities preferred—from reputable manufacturers. Successful past record representing Canadian and U. S. exporters on markets in the United Kingdom and Northern Europe — sixteen years (1919-35) — headquarters London.

For past two years actively employed in U. S., but returning shortly to England, where business contacts and connections have been maintained. Contacts already established with importers in London, Liverpool, Bristol, Glasgow, Dundee, Aberdeen, Belfast, Dublin, Antwerp, Rotterdam, Amsterdam, Hamburg, Stockholm, Copenhagen, Oslo and Helsingfors. Passport facilities for all countries. Interview and correspondence invited.

Reply to Advertiser, The James Fisher Co. Ltd., 204 Richmond St. W., Toronto.

Subscriptions having been received for an amount in excess of the issue, this advertisement appears as a matter of record only.

New Issue

Stedman Bros. Limited
(Incorporated under the Laws of the Dominion of Canada)

6% Cumulative Redeemable Convertible Preference Shares
(of $50.00 par value)

CAPITALIZATION

	Authorized	Issued
6% Cumulative Convertible Preference Shares ($50.00 par value)	$500,000	$300,000
Common Stock (no par value)	120,000 shs.*	90,000 shs.

*20,000 shares are reserved for the conversion of the 6% Cumulative Convertible Preference Shares on the basis of 2 Common Shares of no par value for each Preference Share of $50.00; 10,000 shares are reserved for issue at the discretion of the Directors to the executives and employees, at any time after July 16th, 1939.

A copy of the prospectus will be furnished upon request.

HARRISON & COMPANY
Limited
320 Bay Street Toronto, Canada

IMPORTANT NOTICE TO BONDHOLDERS

Abitibi Power & Paper Company, Limited

In urging that all Bondholders of the Company be present or be represented at the meeting to be held in Toronto, Canada, on October 15, 1937, to consider the Plan of Sale of Assets and Reorganization presented by the Bondholders' Representative Committee, the Committee calls specific attention to the following:

1. Arrangements of vital importance with regard to reinstatement and rearrangement of pulpwood concessions and water power rights are contingent upon reorganization.
2. Only through reorganization can the Committee see any practical means of affording Bondholders early opportunity to receive a return upon their investment.
3. The opposition of junior interests seeking delay makes it all important that the bondholders support their Committee.

Holders of unregistered Bonds should take their Bonds to any bank or trust company; obtain a Voting Certificate; execute the proxy appearing on the reverse side of the Voting Certificate; and send the Voting Certificate and proxy either to Montreal Trust Company, Trustee, or to the Bondholders' Representative Committee, 2400 The Canadian Bank of Commerce Building, Toronto, Canada, or Room 1000, 44 Wall Street, New York City. The necessary forms of such Voting Certificate and proxy and for such temporary deposit of Bonds can be obtained from the Bondholders' Representative Committee at either of said addresses.

This Committee was elected by the Bondholders at a meeting held in June 1935. It urges the prompt co-operation of all Bondholders in time for representation at the meeting on October 15, 1937.

Bondholders' Representative Committee
By JOSEPH P. RIPLEY, Chairman

Toronto, Canada

No. 4 of a Series—"Why an Investment House?"

Sound Sponsorship Instils Confidence

★ Public sponsorship by investment houses with a reputation for care and judgment adds an important and recognized element of value to a corporate issue. ★

Some years ago a large corporation, without underwriting, offered a large block of its stock for subscription by shareholders at 120. The market price for the stock at the time was 145 and due to the attractive offering price the directors considered it unnecessary to insure success by an underwriting. However, as a result of market changes and substantial selling by speculators, the market for the issue rapidly declined and it became generally known that there was no underwriting syndicate. When market prices had fallen to 125 and there seemed to be serious danger of complete failure, the corporation decided to call on its investment house to underwrite the issue. This was done and the immediate reassuring effect of the public announcement arrested the selling wave—the threatened failure, which might have involved serious consequences, turned into complete success.

Why did sound sponsorship aid this financing? Primarily, because the investment house which had underwritten and vouched for the securities had the confidence of the investing public. Less easy to define are the intangible values on which that confidence was based. Integrity, vision, achievement, a keen sense of responsibility, close and continuous relationship with its clients and with industry—these are some of the qualities on which confidence is founded. The investment house which has these characteristics is the house which is able to give sound sponsorship to a security issue—the sponsorship which instils confidence, aids corporate financing and furthers industrial progress.

NESBITT, THOMSON & COMPANY
LIMITED
355 St. James Street West, Montreal, Que.
BRANCHES IN THE PRINCIPAL CITIES OF CANADA

42A

Bond Markets

Meeting Action Likely To Move Abitibi Bonds

Committee Maintains Bondholders Should Get Equivalent Value for Bonds and Interest — Dominion Loan Nears

Abitibi bondholders should be prepared for comparatively wide swings in the market price of their bonds, no matter what the results of the meeting on Oct. 15. It seems logical to expect a rise if the reorganization plan offered by the Bondholders' Representative Committee is adopted and a drop in price if it fails.

Experience in the Great Lakes Paper Co. reorganization in 1935 and 1936 should give a clue to probable behavior of Abitibi bonds. Great Lakes Paper bonds moved up about two points when a meeting approved the plan, but when the Supreme Court set aside the sale of the company there was a drop of more than the previous rise. When the plan was finally approved by the court, following withdrawal of opposition by the Province of Ontario, there was another rise of about two points to around 48. With Abitibi bonds quoted at levels almost twice those of Great Lakes Paper at the time of its reorganization, it seems reasonable to expect somewhat wider swings.

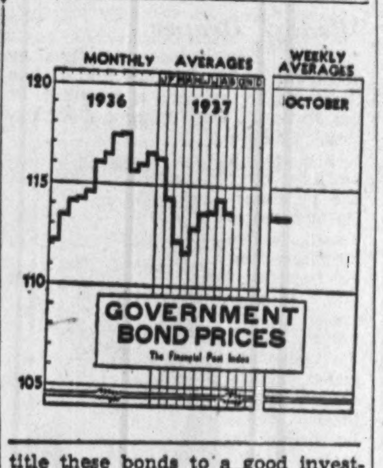
"Abitibi bondholders should receive securities of a market value approximating the amount of the bondholders' claims including accrued interest," according to J. P. Ripley, chairman of the committee. He goes on to say that "the committee believes that this can best be accomplished by issuing convertible securities as provided in the plan to be voted on at the coming meeting of bondholders, and that the securities to be received by the bondholders under the said plan will be of greater value than under any other plan yet proposed."

General activity in the bond market continues quiet although the more speculative corporation bonds, such as the newsprint group, have recovered a large portion of the losses of the previous week.

New bond offerings have been confined entirely to a few small municipal issues. Dealers are waiting for announcement of the refunding loan which the Dominion is expected to offer some time before Dec. 1.

C. P. R. 4½% Bonds

Canadian Pacific Railway Co. 4½% collateral trust bonds, due 1960, are among those selected in a recent issue of The Financial World, New York, as offering greater than average yield for the type of security provided. Selling around 101 and listed on the New York Stock Exchange a yield of around 4.45% is given. Reviewing the security offered The Financial World points out that Canadian Pacific has earned total fixed charges in each year of the depression with the exception of 1933. Commenting on the company the article reads in part as follows: ". . . the road's performance must be regarded as satisfactory in the light of droughts which have successively affected Canadian crops, and which have again done serious damage this year. The Canadian Pacific's financial position, its capital structure, its record over a long number of years and its proved management are factors which entitle these bonds to a good investment rating."



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Government Financing

If Dominion treasury bills, which are refunded every three months, are not included, volume of bond financing by Canadian municipal, and Federal governments in the first nine months of 1937 has been $374.2 millions compared with $470.2 millions in the same period of 1936, according to a compilation by Wood, Gundy & Co.

All 1937 financing, except $34.2 millions, has been for refunding purposes. The Dominion has also raised $15 millions in new capital by expanding the amount of treasury bills outstanding by this amount. If treasury bills are included, refunding has totalled $759.9 millions while new capital raised has been $49.2 millions.

In 1936 refunding issues, without including treasury bills, totalled $389.9 millions while $80.3 millions of new capital was raised. While 83% of 1936 bond financing to the end of September was for refunding purposes, this percentage has risen to 90% in 1937.

Government and Municipal Financing To Sept. 30

	Refunding $	New Capital $
—1937—		
Dominion	234,000,000	......
Treasury bills	420,000,000	15,000,000
Provincial	76,260,950	19,685,050
Ont. municipal	20,506,000	5,275,742
Que. & Marit. munic.	8,115,900	9,030,945
Western municipal	1,055,000	252,000
	759,937,850	49,243,737
—1936—		
Dominion	354,869,100	46,831,800
Treasury bills	355,000,000	5,000,000
Provincial	22,671,200	14,804,000
Ont. municipal	500,000	10,600,065
Que. & Marit. munic.	11,836,000	7,526,200
Western municipal	......	541,000
	744,876,300	85,303,065

* * *

Corporation Financing

Bond financing by Canadian corporation for the first nine months of 1937 has been only 60% of that for the corresponding period of 1936. Over 94% of the 1936 total, however, was for refunding purposes while only 62% has been refunding issues so far in 1937. Although public utility financing to raise new capital has been smaller in 1937, both railways and industrial and miscellaneous companies have raised substantially more new capital this year. Details of corporation bond financing, as compiled by Wood, Gundy & Co., follow:

Corporation Bond Financing To Sept. 30

	Refunding $	New Capital $
—1937—		
Public utility	29,466,700	1,451,800
Railway	......	30,380,000
Industrial & misc.	48,577,300	15,018,000
	78,044,000	46,849,800
—1936—		
Public utility	66,234,424	3,583,000
Railway	50,000,000	3,000,000
Industrial & misc.	78,672,800	3,895,500
	194,907,224	10,478,500

* * *

Bond Index

High-grade government bonds have remained firm and not much changed from last week's levels. Actual movement is indicated by The Financial Post index which follows:

Average Price and Yield for Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Oct. 5	113.52	3.285	Oct. 5	116.61	3.074
Oct. 4	113.51	3.286	Oct. 3	116.61	3.074
Oct. 2	113.52	3.289	Oct. 2	116.63	3.071
Oct. 1	113.52	3.289	Oct. 1	116.61	3.074
Sept. 30	113.52	3.289	Sept. 30	116.59	3.077
Sept. 29	113.52	3.289	Sept. 29	116.50	3.084
Year's	3.206	116.81	Year's	117.91	2.966
Range	3.505	111.60	Range	111.50	3.597

Moose Jaw, Sask. — The Federal Government has refused the city's request for aid in relieving the present city water shortage. The Minister of Labor stated, in his reply to the city's request, that such a measure must come from the province as a proposal to relieve unemployment or drought conditions. The province's allocation has already been used up in highway projects. Reports from the city indicate the water shortage continuing.

PLACER
BULOLO
PATO

Memorandum incorporating information contained in latest reports available on request.

Ask for Memorandum P8

Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE
113

JONES BROS. OF CANADA LIMITED

Notice is hereby given to the holders of the Six and One-half Per Cent First Mortgage Twenty Year Sinking Fund Gold Bonds of this Company that they may exchange the same for the securities of Jones Bros. Co. of Canada, Limited, to which they are entitled under the terms of the Plan of Reorganization dated November 30th, 1936, which has now become effective.

Bonds must be sent for exchange to The Toronto General Trusts Corporation, 253 Bay Street, Toronto.

Forms of Letter of Transmittal which must accompany Bonds may be obtained from any office of the Trust Company or from the undersigned.

JONES BROS. OF CANADA,
LIMITED,
"D. G. WIGGINS,"
Secretary.

21-31 Adelaide Street West,
Toronto, Ontario.

CANADIAN
FUND

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

Chartered Accountant

OF EIGHT YEARS EXPERIENCE IS desirous of making a change from public practice to a responsible position with well established industrial or financial organization. Communications in strictest confidence. Box 122, The Financial Post, Toronto.

GOLDEN JUBILEE

This year W. J. Scott of Gutta Percha & Rubber, Limited, Toronto, celebrates at the age of 62 his golden jubilee in the service of the company he joined in 1887, Queen Victoria's Golden Jubilee year. He was then 12 years old. Securing a temporary job as office boy, Mr. Scott developed it into a lifetime association with the company. Today he heads Gutta Percha's Mechanical Goods Division. Comparison makes Mr. Scott's record more impressive. Today the average young man commences business life at 20. To equal Mr. Scott's record of having spent more than 80% of his life in one organization, the average young man would be required to work until he was over a hundred years old.

St. Michel-de-Mistassini, P.Q. — The school corporation has been authorized by the Quebec Municipal Commission to pay coupons due Feb. 1, 1936, and interest on bonds matured Aug. 1, 1933, 1934 and 1935.

Leaside Plan Is Complete

Oct. 21 Date for Exchange of Debentures — Calvert Township Nearly Ready

Leaside, Toronto suburban municipality, is to be removed from the list of Ontario's defaulted municipalities on Oct. 21, 1937, according to an announcement by the Ontario Department of Municipal Affairs.

Publishing of notice that a by-law had been passed by the town council, providing for the issue of $47,000 in new debentures to construct an addition to a public school, was the first official intimation that the plan for refinancing the town had been completed.

It is now stated that debenture holders will receive payment in cash for all unpaid coupons on Oct. 21 and at the same time get new 4½% debentures maturing in 20 years for their present securities. There will be no change in principal amount.

Leaside has made a fine recovery since it first defaulted debenture principal due Dec. 31, 1932, and failed to pay the debenture interest due July 1, 1935. Sufficient cash has been accumulated to pay all past due interest and it has only been necessary to obtain bank loans to meet the interest requirements for 1937 until tax collections are made.

Calvert Township

The township of Calvert, bordering on the town of Iroquois Falls, is also being removed from the supervision of the Ontario Department of Municipal Affairs. It is expected that this will be done about Nov. 15, 1937. No refinancing plan has been necessary here and holders of the township's debentures will not be disturbed.

Calvert township was unable to meet its obligations in 1933 and came under the supervision of the Department of Municipal Affairs late in 1935. Arrangements are being made whereby residents of the township and neighborhood will purchase $47,000 of new 4½% debentures, maturing in 25 years. This will provide funds required without further changes.

JOINS MACLAREN

W. G. Abel, well-known in Canadian advertising circles, who has joined the executive staff of MacLaren Advertising Co., following his return from England, where for three years he was managing director of Campbell's Soups, Ltd.

London, Ont.—The Ontario Municipal Board has granted the city permission to increase the debenture issue to pay for the new Wellington Street bridge from $75,000 to $104,500. Changes in plans and higher costs for materials made necessary the larger amount. Work has already started on the span. The city has decided to abandon further relief works as too costly.

Cub Aircraft Shares Offered

Public offering of shares of another aircraft manufacturer is being made in Canada. Williams, McLean & Bell, Toronto Stock Exchange firm, have announced the offering of 7,320 shares of 6% cumulative convertible preference stock of Cub Aircraft Corp. Ltd.

Cub Aircraft Corp. has been incorporated under Ontario laws to take over the assets of Cub Aircraft Ltd., Hamilton, Ont. The latter company was formed in July, 1936, and acquired exclusive rights, under contract from Taylor Aircraft Co., Lock Haven, Penn., to manufacture and sell "Silver Cub" airplanes in Canada. A further contract has been obtained this year giving the Canadian company exclusive agency rights throughout the British Empire. Since July, 1936, it is stated that 34 Cub planes have been sold in Canada, with more on order at present. Sales are estimated at over 100 planes in the next 12 months.

The company also has the selling rights in Canada for the "Rearwin," a small American plane selling at slightly higher price than the "Silver Cub" which retails at $1,695.

CUB AIRCRAFT CORP. LTD.
Capitalization
(On completion of present financing)

	Author.	To be is.
Preference, $25 par value	$187,500	$187,500
Common, n.p.v.	80,000 sh.	*65,000 sh

* The remaining 15,000 common shares are reserved for conversion of the preference stock.

Preference — Cumulative 6% dividend payable Sept. 1 and March 1. Redeemable on 60 days notice at $27.50. Convertible before redemption or on or before Sept. 1, 1941, into two common shares; or before Sept. 1, 1943, into one common share. Entitled to one vote per share. Offered in Sept., 1937, by Williams, McLean & Bell, 7,320 shares at $25 a share with a bonus of one share of common; 263 preference shares underwritten with the balance under option.

Proceeds of this financing are to be used for construction of a factory at an estimated cost of $50,000 and to provide working capital. Estimated net proceeds from the financing is $139,060. The present company issued 180 preference shares and 65,000 common shares for the assets and undertaking of the former Cub Aircraft Ltd.

Canadian Investment
Securities

Enquiries invited.

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTO WINNIPEG

Bond Sales

Brampton, Ont.

The town of Brampton has sold $20,000 of 3½%, five installment, debentures to J. L. Graham & Co. at 101.75, a cost basis of 3.125%. Bids received were as follows:

	Bids
J. L. Graham & Co.	101.175
Dominion Securities Corp.	100.77
C. H. Burgess & Co.	100.37
Bell, Gouinlock & Co.	100.11

* * *

Woodstock, N.B.

The city of Woodstock has sold $56,000 of 4%, 25-year serial bonds, dated Oct. 1, 1937, to Sutton Bros. Ltd. at 98.17, a cost basis of 4.16%. List of tenders follows:

	Bids
Sutton Bros. Ltd.	98.27
Eastern Securities Co.	97.58
Irving, Brennan & Co.	97.12

* * *

St. Laurent, Que.

St. Laurent, Que., has sold $30,000 of 4% bonds to The Provincial Bank of Canada at 100. The bonds are dated Sept. 1, 1937, and mature $1,000 annually from 1938 to 1950 inclusive and $17,000 in 1951.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Wood, A. & J	†6%	1944	Oct. 8	103
Ford Hotel	‡6%	1947	Nov. 1	101
Port Royal Pulp	5%	Serial	Nov. 1	101
Riordon Pulp	▲6%	1942	Dec. 31	105

†For sinking fund purposes, $23,000. ‡$10,000 ▲$59,000.

Stock issues:				
Chas. Gurd	7%	Pref.	Oct. 11	*

*Shareholders of record Oct. 11 entitled to submit tenders for sale of stock to company for redemption.

FINANCIAL EXECUTIVES

Experienced man of more than average education and ability, seeks a responsible position with financial house or investment department of insurance company. Excellent references. Confidential.

Write Box 124
The Financial Post, Toronto, Ont.

Manitoba Harvests Largest Crop in Sixteen Years

AT NEW HIGH PRICES THIS MEANS $40,194,000 GREATER PURCHASING POWER THAN LAST YEAR!

Manitoba this year has great reason to be thankful—beside harvesting the largest crop in sixteen years, government estimates indicate the cash return from agriculture will be nearly double that of last year. Added to this encouraging outlook are substantial gains made in the livestock, poultry and industrial markets. Dairy produce, for example, established a record this year. Prices in every department are more favorable than for some years past. It can be truthfully said—THIS IS MANITOBA'S YEAR.

CASH VALUES OF MANITOBA CROPS

1937	—Wheat	$52,000,000
	Oats	17,000,000
	Barley	15,000,000
		84,000,000
1936	—Wheat	$24,920,000
	Oats	6,732,000
	Barley	12,154,000
		$43,806,000
1931-35 Average	—Wheat	$16,709,000
	Oats	5,957,000
	Barley	5,176,000
		$27,842,000

This means Manitoba offers the manufacturer a potential market nearly twice as large as that of last year—and a buying public in the most receptive mood for over sixteen years.

Plan your sales programme accordingly to reap the fullest benefit from these greatly improved conditions.

The *Winnipeg Free Press* is the ONE medium that commands this vast market. Cultivate this "money belt" by telling your sales message in

THE WINNIPEG FREE PRESS

LARGEST CIRCULATION — LOWEST MILLINE RATE

EASTERN OFFICES:
320 Bay Street
Toronto
225 Confederation Bldg.
Montreal

U.S. REPRESENTATIVES:
Henry de Clerque Inc.
Chicago—Tribune Tower
New York—12 East 41st St.
Seattle—507 Leary Bldg.

BRITISH REPRESENTATIVE:
A. P. Collier
Trafalgar Square
London

Winnipeg Free Press
DEATH WINS
53,132,000 BUSHELS
Manitoba Crop Best in 16 Years
Value Double That of 1936
TEETH BARED
GHASTLY ALLY
BATTLE FOR GOLF CROWN

CONCENTRATE
YOUR ADVERTISING IN
THE ONE MEDIUM THAT
COMMANDS THIS MARKET

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

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TORONTO, OCTOBER 9, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

New Eyes For Industry

THE whole question of organized industrial research was raised last week in startling fashion at Montreal by Major-General A. G. L. McNaughton, president of the National Research Council of Ottawa.

Speaking to a group of businessmen, General McNaughton compared federal research expenditures in Canada with the amounts currently being spent in Russia. He noted that proportionately the Russians have 47,900 workers engaged in their Russian Academy of Science and that expenditures by this body have risen from four million rubles in 1928 to 44 million rubles in 1934. Allowing for the fact that Russia's population is about 20 times that of Canada, a federal research bureau, if it were to equal the Russian undertaking, should be employing about 2,500 men and spending $25 millions annually.

The actual figures for the National Research Council show it has only 214 scientific workers and assistants at the present time and an annual budget (apart from what is received from industry) of $621,500. Says General McNaughton:

> "We are allowing ourselves to remain in a position of dependence upon other countries, and for this we are paying an enormous tribute.
>
> "Worse still, we are not obtaining and passing on to the Canadian people the benefits which they have every right to expect."

It is open to question whether General McNaughton was wise in choosing Russia as a yardstick. True, the research problems of the two countries are very similar, but that country is starting from scratch, industrially speaking, and it is natural that it should place especial emphasis on research. Even more important is the fact that under Communism, little or no contribution is being made by private interests such as the research activities of leading Canadian corporations.

* * *

In any event there seems to be general agreement that Canada has not shown very startling leadership in the field of industrial research. Apart from the benefit that comes to this country from U.S. and European companies, the scope and extent of Canadian activity has been definitely limited. So far we have only scratched the surface of a very deep problem and very little is being done, for example, to retain in Canada those we are training along these lines in our university course and scholarship schemes. It is alarming to be told that there are 70 applicants for every research position the Government has to offer. Especially when we compare ourselves with Russia where every qualified man is pounced upon and his services turned to national account.

A wise course for Canada to follow would be to concentrate her public research personnel and resources on the great primary industries of the country rather than attempt to spread her energies too thinly across a field which should rightly be left in the hands of industrial corporations themselves. It is the judgment of those who have been closely in touch with this work that governmental effort is, as a rule, a poor substitute for the work that can or should be done by large corporations which have adequate funds for these purposes, though admittedly there are some important jobs that can best be carried out by joint effort. On the other hand, there are thousands of small firms who cannot afford expensive research staffs of their own who should find profit in supporting public bodies of this type. The scores of small mine owners with their individual problems in metallurgy are a case in point.

* * *

The bulk of Canadian public effort should be focussed on the weighty problems surrounding the primary industries such as farming, fisheries, fur breeding, etc.—especially where these occupations affect our export industries. These are days of rapid change and of stern competitive salesmanship. We are facing on every hand the new, improved and cheapened products of other lands. This applies as much to raw materials as to finished products. As General McNaughton wisely points out, one of the most important aspects of the whole problem is "the cost of not doing it."

> "There is no use in resisting the natural trends of development, for that is an impossible task. We must put trained investigators to work to find other uses for our products in danger of being displaced, and they must find new products which can be made from available raw materials in order that stability of employment and of capital investment may be maintained, and particularly that the appalling waste and misery which comes in the trail of any decadent industry may be avoided."

The nucleus of this work lies not only in the National Research Council at Ottawa and in the Ontario Research Foundation, but also in the plant of every enterprising Canadian manufacturer. To these organizations and corporations Canada must look for assurance that we will be able to maintain our place among great trading nations of the world. If Canada is failing to keep abreast of changing world conditions it is important that men such as General McNaughton speak clearly and fearlessly so that their voice is heard and heeded before it is too late.

The Investment Underwriter

LIKE bankers, investment dealers and underwriters have taken their business for granted so long that the thought rarely occurs they might enlighten the public on the services they perform and the risks they must take in the business.

Public knowledge has recently been improved by a series of advertisements by Nesbitt Thomson & Co. explaining the functions of investment underwriters whose job it is to raise money for industry and at the same time provide the investor with satisfactory securities. Naturally, the investment underwriter is a businessman and not a philanthropist but he must frequently take large risks for small profits and if he errs in his judgment is likely to pay for it, not only in loss of goodwill, but in money.

The business is one that calls for diplomacy and good judgment as well as courage and adequate resources. As a vital link between industry and capital the investment underwriter performs an essential and fundamental service in the economic and industrial scheme of things.

Experiments in Lunacy

WHEN Mr. Aberhart set out to attack by taxation the assets of the banks he made an assault upon the property of the people. In his attack upon the press he is seeking to put a gag upon the people's freedom of speech.

Curiously, a very large proportion of the people in Alberta did not care a tinker's cuss when their Government assaulted the banks. They swallowed Aberhart's protestations that he was hitting at the "money power" and forgot for the moment that this "money power" is nothing more than themselves as depositors and small borrowers, for whom the banks act as trustees.

The attack on the press may prove less popular. Only in totalitarian states can the press be completely controlled. And Alberta is not yet a totalitarian state, although Il Duce Aberhart would like to make it one. In democratic nations, the public wants its press to be free of political dictation and untrammelled in presenting the truth in the news.

The press control measure—which will in practice consist merely of forcing the newspapers to donate, free of charge, space to a minority interest that has fallen from the drunkenness of power to the desperation of impending defeat—may prove to be the measure that will bring the Aberhart experiment in authoritarian lunacy tumbling down.

How roundabout is the road to the heaven of Social Credit! What have confiscatory bank taxation and piracy of newspaper space got to do with the "cultural heritage" and "just price"?

Nothing, of course, except that they may keep the public diverted for a few more months during which members of the Legislature and the Cabinet can continue to draw their indemnities.

Canada's Experts

NOT long ago an editorial in The Financial Post expressed the opinion that Canadian governments and institutions should not hesitate to send abroad for the best qualified experts in any subject.

What the editorial might have added was that in some fields it is not necessary for Canada to seek outside authorities; that in those fields we have Canadian experts who rank among the world's best and who are called in by foreign governments and foreign business firms for advice. For example, if anyone wanted advice on building a grain elevator or protecting forests against fire or flying freight by air they could get the best advice in the world in Canada.

A Canadian authority of international reputation has just been called in by the League of Nations. He is C. Fraser Elliott, Commissioner of Income Tax, Ottawa, who has been asked to meet the fiscal committee of the League next week to discuss income tax problems of international significance.

Mr. Elliott is that rara avis, a tax official who commands the complete confidence and respect of those who are taxed. In his department red tape is conspicuously absent and common sense rules in judgments and interpretations. Any individual or business executive who feels that he is being unfairly treated in an income tax has but to appeal to Mr. Elliott and he will get sympathetic consideration. The commissioner will not take the stand that he is a public prosecutor out to make a one-sided case while the prisoner at the bar defends himself as best he can. Rather he will take an attitude of complete detachment and seek to determine what, under the spirit as well as the letter of the law, is the fairest way of meeting the problem.

The present income tax law is largely the product of Mr. Elliott's work. First as counsel for the department and then as commissioner he has simplified the law and smoothed its operation.

Little Railways

NEW BRUNSWICK has just celebrated the turning of the first sod on the first railway to be built in that province. It was 84 years ago that this event took place and the name of the line was no less than the European and North American Railway.

If we had not so many major worries in the field of railway transportation in Canada we might be forgiven for shedding tears over the demise of the scores of colorful, ubiquitous railway systems which sprang up like mushrooms in every part of this Dominion last century.

In this streamlined age we pride ourselves on having eliminated practically all these local lines and boast about our transcontinental systems which span the country under unified control, from coast to coast.

It is the price of progress that these individual lines should have been eliminated one by one and that we are heading inevitably to the merger in time of even the two major systems with their 42,000 miles of track.

But eliminating the lines does not mean eliminating the capital charges. Our railway problems might more easily be solved if the shareholders of the European and North American Railway (for example) were faced with the responsibility of meeting their deficits year after year out of their own pockets instead of doing so, as is the case today, only indirectly as taxpayers of the Dominion as a whole.

Jungle Leadership

ADOLF HITLER welcomed Benito Mussolini to Germany as "one of the lonely men in history who are not put on trial by historic events but determine the history of their country themselves."

It is a splendid ideal. But determination implies thought and planning, and how do dictators think? Let Hitler himself answer. He says, "We think with our blood."

Savages think that way. Their actions, in their private lives and their tribal affairs, are determined by primitive emotions. Only as man's intellect surpasses the thought processes of the animal does intelligent reasoning oust instinct and the "call of the wild" as a factor in controlling human behavior.

Only when statesmen of all nations learn to think with their heads rather than to obey atavistic instincts that are a throw-back to jungle days will Europe be ready for peace and progress through peaceful change.

Editorials in Brief

In Ontario and Alberta if you are an ordinary citizen, you must obey the laws. If you are a politician in power, you are above the laws.

* * *

How to Find a copy of the B.N.A. Act is currently exercising newspaper reporters and government officials in high places. A more important job is how to change it when it is found.

* * *

Professor Swanson of Saskatchewan says that our politicians stand in the way of a proper settlement of the Canadian railway problem. The Vancouver Province adds that the people stand in their own way of getting a better lot of politicians.

* * *

Toronto's Communist alderman wants the city to pass a by-law prohibiting the circulation of literature designed to create class hatred. Such a law, if it were workable, would be useful. But what is literature designed to create class hatred? To this Communist alderman, it is a hand-bill attacking the Jews.

The definition would have to be broader than that and 99 per cent of Communist literature, including the daily Communist newspaper, would be banned if such a law were passed and enforced.

Sayings of the Week

"You cannot be a good fellow and be a good mayor."—*Fiorello LaGuardia.*

* * *

"The Republican party has boiled down to nothing but harmony."—*Raymond Clapper.*

* * *

"No president will fare better at the hands of future historians than Franklin D. Roosevelt."—*Jim Farley.*

* * *

"There is nothing dramatic in virtue. It is virtue overcoming vice that makes drama."—*Daniel Frohman.*

* * *

"If the Spanish ulcer continues to fester very much longer it may destroy the peace of the world."—*Anthony Eden.*

* * *

"Every time you raise the price of goods artificially you are putting an obstacle in the way of recovery."—*Henry Ford.*

* * *

"Two-thirds of the teaching profession now is in urgent need of being either reconditioned or superannuated."—*H. G. Wells.*

* * *

"We have no ships in the Mediterranean and Canadian commerce is not involved." — *Prime Minister W. L. Mackenzie King.*

* * *

"Freedom of learning, freedom of conscience, these are our security, the essential buttresses of democratic institutions."—*Charles E. Hughes.*

* * *

"Frontiers can be created with wooden or stone barriers, but that which is German will feel itself one through all eternity." — *Joseph Goebbels.*

* * *

"It is more important that the child should first learn to love the music of Mozart than to know the years of his birth or death," — *Walter Damrosch.*

* * *

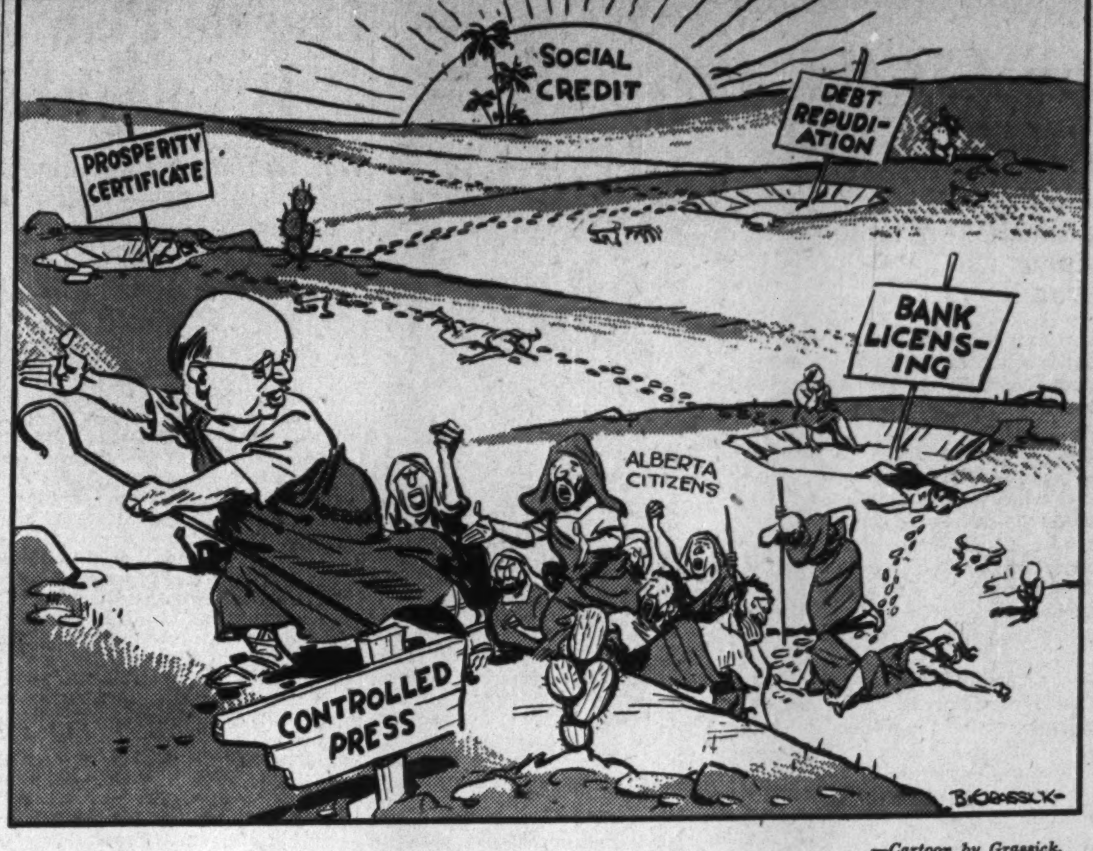
"We had a pleasant conference talking over matters of mutual interest." — *John L. Lewis, after talking with President Roosevelt at the White House.*

* * *

"Every day adds to the power and efficiency of all Britain's services and the completeness of the preparations we are making to resist attack." —*Neville Chamberlain.*

* * *

"As much as I distrust the British Government, I mistrust the intentions of Mussolini and Hitler a great deal more."—*Sir Walter Citrine, General Secretary, Trade Union Congress of Great Britain.*



—Cartoon by Grassick.

STILL LOOKING FOR THE PROMISED LAND

Post-Scripts . . . . .

Hub Lofft Is Back

Several of the larger Canadian investment houses have branch offices in New York or London or both. A sabbatical year in one of these offices is splendid training for a junior partner, just as the post of manager in London or chief agent in New York is often a stepping stone to the general managership for a Canadian banker.

"HUB" LOFFT

Sometimes the sabbatical year lasts a long time. Hubert W. Lofft went to New York for Wood, Gundy & Co. 20 years ago and stayed there. But last week he came back to Canada, is living in Toronto, and is one of the important partners at the head office of the firm.

Mr. Lofft graduated with honors from University of Toronto 24 years ago. He joined the Wood, Gundy firm on graduation and has never been associated with anyone else.

Fortune Magazine ran a little article a few months ago about Wall Street. The writer of the article said that how far up a man is in Wall Street is indicated by the height at which he eats his lunch. "Hub" Lofft must have got pretty high; he ate his lunch each day at the Bankers' Club, which is the highest point in Wall Street. Yet, like all St. Marys boys, he acquired no "side" out of the experience. We called up Wood, Gundy & Co. the other day to speak to him. When we asked the girl for Mr. Lofft she replied, "Do you want 'Hub' Lofft?"

There's something human about a person whom the switchboard girls call by his nickname.

* * *

Public Institution

Readers of the London Times the other morning were doubtless startled to see a huge three-column photograph of Lord Beaverbrook's head staring at them from those usually sombre columns.

Underneath was the answer to the startling caption: "Why I want another 600,000 readers for the Daily Express."

At the bottom of the advertisement was the bold sprawly signature of this Canadian boy who has made good in such a big way across the water. The rest of the three columns was taken up by telling how the "world's greatest newspaper" (Daily Express) has now a net sale of 2,407,780 copies every day and that by the end of the year the goal of 2.5 millions has been set with a three million mark for 1938.

Lord Beaverbrook based his circulation appeal on the rather unusual grounds that:

> "The Daily Express is not run for the primary purpose of making profits. This newspaper is a public institution, which in the national interest sacrifices money to the main plan of serving the public."

* * *

Humphrey Boys

What makes a great railwayman? There are many answers but in the case of H. Jasper Humphrey, vice-president and general manager of eastern lines of the Canadian Pacific Railway, the initial impulse came from being born into railway work. Mr. Humphrey's father was a station agent at Berry Mills, in New Brunswick, and the son has never gotten away from the business.

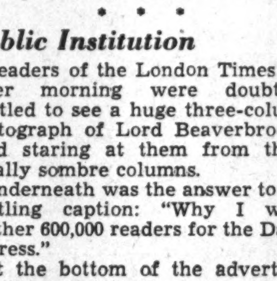
At 17 he was a telegraph operator. Step by step he advanced through the positions of train despatcher, car service and fuel agent, superintendent of car service, division superintendent and assistant to vice-president to his present post. His headquarters are in Toronto, a nice gesture to the Queen City by the C. P. R., which has its head office in Montreal.

His brother Frank was also born in a railway station but he got off on the side track of finance. In time he became a partner of the powerful firm of Kissel, Kinnicutt and Co., of New York. He retired from the firm some time ago and now represents important British and American financial groups.

* * *

Hume Wrong

Going to Geneva as Canada's resident advisory officer is Hume Wrong, member of the Canadian legation staff at Washington since its inception in 1927.



HUME WRONG

In his new post Mr. Wrong succeeds Dr. W. A. Riddell, who is being transferred to the post of counsellor at our legation in the U.S. capital.

The new appointment sends to Geneva two representatives of Canada's most distinguished academic families. Hume Wrong is son of George Wrong, professor-emeritus of history in the University of Toronto. Mrs. Hume Wrong is daughter of Maurice Hutton, famous classicist and principal-emeritus of University College, University of Toronto.

For some years prior to entering the diplomatic service, Hume Wrong was lecturer in history at University of Toronto where he rapidly earned a reputation as a colorful, pungent and enthusiastic personality and lecturer.

"Paddy" Draper

When "Tom" Moore resigned as president of the Trades and Labor Congress to become a member of the National Employment Commission, there was much anxiety over the personality of his successor. The position was an important one. It possessed great, power, which could be either used or abused. "Tom" Moore could be relied on to use it, not abuse it. Could a successor be chosen who would do likewise?

"PADDY" DRAPER

These fears were never shared by those who knew his successor "Paddy" Draper, who, some few days ago, in addition to being re-elected as president of the Trades and Labor Congress, was given a presentation commemorating 50 years of association with the trades union movement in Canada. For "Paddy" Draper, though not so widely known as Tom Moore, was no less of an institution in Canadian labor circles.

"Paddy" Draper has combined a lifetime of devotion to a craft with the cultivation of a broad, sane, practical outlook upon the problems of this industrial age. A native of the Ottawa district, he started life as a printer and finally found his life job in the Government Printing Bureau. From a journeyman printer experienced in all branches of the craft, he rose to the responsible post of superintendent of the huge plant which issues all the government publications. Reaching the superannuation age of 65 he was pensioned a few years ago. Since that time the affairs of organized labor have engaged his full occupation.

* * *

Fine Chairman

"Paddy" is an excellent presiding officer, with a wide knowledge of the rules of parliamentary procedure. Had he entered political life, he might have become a famous Speaker of the House of Commons, so extensive is his knowledge of parliamentary law. He is not an eloquent speaker. But when he does take the floor he makes up for the economy of his words by the abundance of his logic. He is, consequently, an effective debater.

The past session of the Trades and Labor Congress, with the A. F. of L. and C. I. O. controversy ever in the background and threatening to come forward at any moment and split the Canadian labor movement as it has the American, was a supreme test for the tact and leadership of any chairman. "Paddy" Draper came through the crisis with flying colors.

As Others See Us . . . . .

West is Sound
Swift Current Sun

No matter what people think in eastern Canada, The Financial Post of Toronto, one of Canada's most important financial newspapers, has steadfastly lent an air of encouragement to the West, and has continually backed up its contentions that the West will come back by logical arguments.

Credit to Publishers
Forest (Ont.) Standard

The Financial Post published a 24-page supplement to their regular weekly edition recently entitled "Ontario at Work."

The supplement is brimful of useful information on agriculture, mining, highway development, public finance, tourist trade, hydro development and many other subjects.

The work is a credit to its publishers and must have entailed a large amount of work.

Uncle Sam's Opportunity
Midland Free Press

A cartoon in The Financial Post puts into graphic picture form a thought which must have passed through the minds of multitudes of British people during recent days. John Bull is portrayed as trying valiantly to hold closed a door labelled "World Peace" against Mussolini, Hitler, Stalin and a Jap officer, armed to the teeth with guns and swords, who are smashing their way through.

John Bull calls out to Uncle Sam who is standing with his back to the whole performance unconcernedly puffing away at a big cigar: "I say, old top, could you step over here for a minute?"

Lost opportunities can never come again, but it is not too late yet for Uncle Sam to take his share of the world's burden. He could do so much if he only would.

Cabinet Reform
Huntsville Forester

The Financial Post advances the suggestion that cabinet ministers should be allowed more time for administrative duties.

We make too much of the politician out of our cabinet ministers. They are required to give too much of their time to the trival affairs of the Government, which are reflected back within the party organizations. Better government from either party will come with a change in our system which will permit the selection of more capable material for cabinet positions, and the use of this material more fully in the real business of government, which is administrative.

Alberta's Outlook
Saskatoon Star-Phoenix

The Financial Post has discovered something that has been apparent to any observer who did not spend all his time in the cities of Alberta, that in the case of an immediate election there is a very strong probability of the Aberhart Government being returned to office.

The Toronto paper made the discovery by asking the opinion of the country editors of Alberta. And it is significant that, although 95 per cent of them oppose the present Government and believe Social Credit impracticable, only three of them thought there was any chance of Mr. Aberhart being defeated in a popular vote at the present time.

Only when Alberta reaches the point of prosperity where a large majority of persons are very busy attending to their own business affairs will it return to a "correct" political outlook. And maybe not then.

New Books . .

Financial Statements

THE INTERPRETATION OF FINANCIAL STATEMENTS. By Benjamin Graham and Spencer B. Meredith. Published by Harper & Bros. Price $1.

Derived from material used in educational work of the New York Stock Exchange Institute, this book covers in elementary manner the meaning of balance sheet and profit and loss items of corporation accounts. These are definitions of nearly 300 financial terms and phrases.

While the work is based upon American practice, the close interrelationship between American and Canadian business and investment makes the book nearly as valuable to the Canadian as to the American reader. It is a useful handbook for the investor or businessman who wishes clearer definition and understanding of financial statements.

Stop Me If You've Heard This One . .

"What did you give your baby for his first birthday?" asked Mrs. Richards.

"We opened his money box," replied her friend, "and gave him a lovely electric iron."

In the Mail . .

Our Public Accounts

Editor, The Financial Post:

In your issue of Sept. 25 there is an interesting article on Geo. C. McDonald, C.A., under the title "He Builds Public Credit."

In this article Mr. McDonald is quoted as follows:

> "There has been a great deal of criticism in recent years of financial statements of some corporations, but I know of no set of accounts more subject to criticism than those of the Dominion Government. For instance, every amount spent on capital account since Confederation is included as an asset, although some of the assets created by these expenditures are worthless today, and some no longer exist."

This statement is not calculated to "build public credit." If it were true, the making of the statement would be justified even if it tended to damage public credit. It is obvious, however, even to one who is not an accountant, that the statement is wholly false. I have before me the most recent public accounts of the Dominion and they clearly show gross liabilities of the Dominion as $3,431,944,026. Against these liabilities are shown certain assets amounting to $425,843,509 and consisting of such items as cash, gold bullion, advances to provinces, harbor commissions, the Farm Loan Board, foreign governments, soldier and general land settlement loans and miscellaneous current accounts. These are the only assets which the Government regards as active assets and which it deducts from its gross liabilities to give the balancing item, or net debt of $3,006,100,517.

Below the balance sheet is a schedule showing how the net debt of the Dominion has been created. In this schedule there are two sections. The first of these is headed "Expenditure" and consists of items that are capital expenditures on railways and canals, public works, as well as non-active advances to railways, C. N. Steamships, harbor commissions, etc. The total of the items is $1,811,918,015. The second section of the schedule represents amount of items charged directly to the Consolidated Funds, apparently ordinary expenditures of government in excess of revenues, and amounts to $1,194,182,501. In the first of these two sections there are certain items, such as public buildings which could legitimately be treated as assets and therefore deducted from net debt, but the Government has deliberately chosen not to treat them as assets for the purpose of the public accounts.

The above facts can be obtained by any reader who has even the slightest acquaintance with the reading of the financial statements of corporations or of governments. It is not quite clear to me how such an outstanding accountant as Mr. McDonald could make the statement which is attributed to him in your article.

Mr. McDonald goes on to state that the public accounts should show the amount of debt that has been created for each specific purpose. If he means by this that the accounts should show the amount of outstanding debt due to various specific factors, I can see that he is setting an impossible task for the accountants of the Dominion. If Mr. McDonald is even remotely familiar with Government financing, he should realize that when Government debt is paid off, let us say by a current surplus of $100,000,000, it is impossible to say whether the $100,000,000 goes to retire a debt created by war expenditures or by expenditures incurred in building public works or by expenditures in connection with subsidies or loans to railways.

All that one can fairly and clearly say is that as a result of the transaction the total outstanding debt of the country has been reduced by $100,000,000. It is quite another thing to ask that the public accounts should clearly show the total expenditures made by the Government since Confederation for various specific purposes. This may be a very difficult task, but if it can be carried out it would make a valuable contribution to an understanding of the record of Government in this country. My recollection is that at the last session of Parliament the Government promised to do this for certain functions, primarily, I think, in connection with financial assistance given to railways.

Yours very truly,
A. LAYMAR.

Other People's Views . . . .

Prairie Trees
Edmonton Journal

In spite of drouth, an encouraging advance has been recorded this year in the planting of trees on the prairie. According to the federal department of agriculture, 2,000,000 have been planted in the three prairie provinces under the farm rehabilitation programme, and 4,000,000 distributed through the ordinary channels. The establishment of shelter belts is a part of the Government's long range programme for increasing moisture conservation and checking soil drifting.

Money Makes The Mare Go
Wall Street Journal

Many shibboleths have been discarded in the past swirling years, but among them there will not be found the adage that "Money makes the mare go.' And the mares of reform, of relief, of expenses ordinary and extraordinary, still need revenue. If the money to make them go is to be derived in large part in the future as well as in the present from income taxes—and there is no indication to the contrary but rather the reverse—the conclusion is inescapable that unless deficit financing on a scale comparable to the largest undertaken to date, or larger, is resorted to, government expenses must be drastically reduced or policies which foster business profits must be pursued. And—we may as well look at it realistically—government expenses are not likely to be "drastically reduced" in the sense of being slashed by 40% or 50%, at least in the immediate future.

The choice is narrowed, therefore; it is a question of policies conducive to business profits or resumption of annual deficits of billions. Since the budget is not even now in balance, the case for the latter is weakened just that much more.

Week in Business

Trade Gains Continue But Buyers Cautious

Fall Business on Par With 1936 — Dividend Payments Help — Little Fear of Boycott Against Japanese Goods

Fall business throughout Canada continues to gain from the belated start in September, but wholesalers appear still cautious about accumulating substantial reserves of goods. The recent decline in commodity prices has created some uncertainty as to whether present higher prices on finished products can be fully maintained.

Generally trade across Canada seems to be almost on a par with last autumn's excellent showing. Retail buying in the Maritime Provinces, Ontario and British Columbia, is equal to last year, while it is decidedly ahead in Quebec and Manitoba. Clothing, hardware, radio, automotive and building materials trade is described as good to excellent in all these provinces. The same appears true of Alberta except that new crop money there is not going into either new housing or home improvements so much as into more movable goods.

* * * *

The wide difference of opinion between a "jittery" stock market and business is again illustrated by the splendid crop of dividend payments now being harvested in Canada. For the first 9 months 1937 is leading 1936 by a most comfortable margin. The Financial Post estimates the total for the current year as at least $41 millions ahead of 1936. Even the previous record, established in 1930 will be exceeded. Total interest payments, too, in spite of lower yields will be higher because of resumption of payments on many old bond issues.

Too often in estimating the activity of present business volume it is overlooked that there was very rapid recovery all through 1936, and while it could hardly be expected that improvement could be continued at the same pace the fact that gains have been held so far in the face of a most serious wheat failure is no mean achievement.

* * * *

Boycott of Japanese goods following alleged atrocities in China has been suggested in some quarters, particularly in British Columbia and in Central Ontario. National merchandisers are doubtful whether any large scale movement will develop, however, especially since Japan now appears to be adopting a more careful attitude in her bombing activities.

* * * *

Business Indicators

Railway carloadings last week lengthened their considerable lead over the corresponding period in 1936 with cumulative to date running almost 10% over 1936. Gross earnings both of C.N.R. and C.P.R., however, showed small declines reflecting the smaller wheat movement this season.

Sugar production, which has been running considerably behind a year ago, is now beginning to catch up, though it is doubtful if lead can be fully regained.

Construction last month was much more active than in 1936, chiefly because of big pulp mill development in northwestern Ontario and steady gain in residential building.

Weekly index of D. B. S. showed another decline for fourth week in September, indicating slowness of normal fall pick-up in general business.

Automobile production in August much higher than a year ago, and cumulative to date also up substantially.

Mining figures continue to confirm reports of expansion with latest production figures coal, gold copper and nickel all well above corresponding level at this time in 1936.

Trade figures for August, covering total Canadian imports, and retail and wholesale sales, all verify active summer business last summer.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked thus▲:

	Latest		Jan. 1 to date	
Transportation—	1937	1936	1937	1936
Car loadings, week (Sept. 25)	▲63,539	59,661	1,887,058	1,729,187
C.N.R. gr. earn., wk. (Sept. 30)	$ ▲5,877,384	$ 5,916,339	$ 146,075,596	$ 131,192,043
C.P.R. gr. earn., wk. (Sept. 30)	$ ▲4,773,000	$ 4,670,000	$ 105,047,000	$ 99,940,000
C.P.R. net revenue (Aug.) ...	$ ▲576,613	$ 634,484	$ 9,932,228	$ 8,404,584
C.N.R. net revenue (Aug.)	$ 558,530	$ 680,581	$ 8,185,377	$ 3,242,824
Business Conditions—				
Weekly index, D.B.S. (Sept. 25)	▲110.4	116.0	......	......
Iron and Steel (August)				
Pig iron production (tons) ..	74,578	38,570	578,258	413,893
Steel ingots and castings prod. (tons)	126,695	80,164	962,840	727,657
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (August) ...	▲8,344	4,396	84,122	72,857
Factory output (August) ..	5,814	3,051	115,890	97,607
Trucks and Buses:				
Domestic sales* (August) ...	▲2,730	1,541	24,192	16,746
Factory output (August) ..	4,928	1,609	41,364	23,476
Exports (August)	8,802	3,449	51,416	40,263
Financing (August):				
Used	$ 3,153,216	$ 2,129,282	$ 26,177,189	$ 18,619,263
New	$ 3,179,696	$ 2,216,705	$ 31,183,770	$ 22,848,254
Construction—				
Cons. contracts (Sept.)	$ ▲21,715,000	$ 16,558,500	$ 178,406,900	$ 127,671,600
Production (June)—				
Cement, bbls.	753,000	559,000	2,090,323	1,629,620
Gypsum, tons (July)	125,762	132,461	503,670	371,956
Clay	$ 486,000	$ 344,000	$ 1,596,631	$ 1,260,700
Agriculture—				
Flour prod., bbls. (Aug.)	▲1,042,949	1,362,679	8,189,707	9,190,705
Flour exp., bbls. (August) ..	288,608	387,728	2,700,279	3,123,804
Wheat exp., bus. (August) ..	6,544,967	21,157,268	58,871,691	141,666,362
Cattle sales (Aug.)	▲125,781	86,675	590,314	521,380
Hog sales (Aug.)	▲73,754	71,674	670,841	596,264
Sea Fisheries—Aug.‡—				
Catch, cwts.	1,517,250	1,744,240	5,633,760	5,792,340
Landed value	$ 3,246,250	$ 2,949,890	$ 12,527,870	$ 11,916,880
Newsprint (tons)—				
Production (August)	318,713	270,053	2,416,016	2,033,943
Exports, tons (August)	283,128	257,576	2,219,873	1,851,919
Mining—				
Coal prod., tons (July)	▲1,139,840	1,064,843	8,136,163	7,952,697
Coal imports, tons (July)	1,886,445	1,416,455	8,134,431	6,442,683
Gold prod., fine oz. (July) ...	347,474	321,107	2,320,725	2,096,815
Nickel prod., lb. (July)	▲15,792,349	12,596,376	127,178,686	95,548,025
Copper prod., lb. (July)	▲41,710,830	28,693,176	285,315,796	234,196,697
Employment D.B.S. Index (Sept. 1)—				
All industries	123.2	107.1	......	......
Manufacturing	121.2	105.9	......	......
Electric Power Output (Aug.)—				
Total monthly m.kh.†	2,035,113	1,877,075	16,885,638	15,415,215
Trade (August)—				
Retail trade (index no. of sales)	▲78.7	74.6	......	......
Wholesale trade (Aug.)	•9.0	......	......	......
Dept. store sales (June)•	81.5	75.7	......	......
C'try gen. store sales (July)•	▲13.7	......	......	......
Imports (August)	$ ▲69,965,939	$ 50,257,754	$ 522,777,568	$ 397,883,401
Exports (August)	$ 103,338,590	$ 93,529,756	$ 729,288,461	$ 603,043,991
Other Industrial Factors—				
Dressed lumber, exp.:				
M. bd. ft. (August)	170,017	168,440	1,203,892	1,046,385
Boot & shoe prod., pr. (July)	2,055,333	1,666,578	14,538,744	12,708,662
Crude petrol., imp. gal. (July)	164,723,274	121,335,556	667,472,830	598,785,080
Cotton imports, lb. (July) ...	12,324,000	5,818,000	92,394,608	75,437,684
Raw rubber imp., lb. (July)..	4,359,000	5,095,000	37,590,412	29,306,377
Cigarette cons. (Aug.) No.† ..	663,969	524,978	4,374,148	3,566,693
Sugar (lb.)—				
Melting & sales§ (raw)	•94,160,410	82,662,963	547,166,731	580,793,073
Manufactured§	▲91,122,789	78,496,030	526,274,941	559,416,632
Finance—				
Bank debits (August)†	$ 2,612,058	$ 2,619,153	$ 23,519,603	$ 22,759,663
Bond sales (August)	$ 50,302,000	$ 27,613,351	$ 861,214,565	$ 850,240,391
Life insurance (Aug.)	$ 28,274,000	$ 23,547,000	$ 253,416,000	$ 236,210,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Sept. 11.
•Percentage increase over last year.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

Investment Information

Changing financial and business trends affect security values. It therefore is desirable to have investment holdings quoted and reviewed from time to time. Periodical reports from informed sources may enable you to avoid loss, or to increase income through judicious exchanges.

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Strike is Settled At Sorel Plant

900 Employees of Five Firms Return to Work

From Our Own Correspondent

MONTREAL.—The two-month-old strike involving two marine and three steel concerns at Sorel, Que., has been settled as a result of an agreement signed with the National Catholic Syndicate of Steel Workers.

Provisions of the agreement have not been made public, but it is unofficially stated that the "open shop" will continue to prevail and that no collective labor agreement has been signed.

The companies involved are the Manseau Shipyards Ltd.; Marine Industries Ltd.; Sorel Steel Foundries Ltd.; Sorel Mechanical Shops Ltd.; and Sorel Cast Iron Foundry.

As many of the 900 strikers as possible are being taken back immediately and others will be taken on as additional work becomes available. Almost 200 employees had previously returned to work.

Foreign Trade

United States Department of Commerce reviews foreign business as follows:

Australia—Business rose to new peak in September, demand for durable goods for plant construction being particularly active.

Argentina—Agricultural outlook encouraging, and commercial influences favorable.

Belgium—Business declined seasonally during August but slackness less than expected.

Brazil—Manufacturing continues on a high level in most lines, but concern over decline in coffee exports and less favorable conditions of cotton.

China — Foreign trade declined sharply in August; attempts have been made to reroute export products to facilitate shipments.

Colombia—Increased returns from general agriculture is cushioning the inter-crop lull in the coffee regions; industrial activity is increasing.

Cuba—The sugar market has improved, and much uncertainty has been eliminated as a result of the signing of the sugar bill; foreign trade continues to advance.

France — Seasonal factors—particularly the paid-vacation period—brought about a further business recession during August, although metal and machinery industries maintained operations relatively well.

Japan — Recent new legislation vests authority in the Government to exercise control over all phases of business, but these measures appear to have been generally well received; the Industrial Bank of Japan has adopted special measures for pumping funds into industry.

Turkey—Trade position improved through considerable export gain as against a small import rise.

United Kingdom—British business in August showed less than the usual seasonal slackening; pressure from rearmament programme apparently reached a peak, with stringency of supplies in some basic industries but an easing of the shortage in others; foreign trade improved, partly owing to higher price levels, and domestic retail sales gained.

Temporary Lower Level Is Seen in Production

American Expert Foresees No Radical Fluctuation in Business Cycle — Believes Check in Upward Trend Mainly Psychological

There is no sign in the offing of either any dangerously abrupt business boom or a new depression era, according to H. N. McGill, president of the McGill Commodity Service Inc. of Massachusetts. In an address given recently to the Canadian Convention of Purchasing Agents Mr. McGill takes the stand that for the present at least business trends will escape any sensational fluctuations. He sees evidence of a firmer price basis toward the end of the year and in the beginning of 1938. The following article is briefed from Mr. McGill's address.

By H. N. McGILL

All countries of the world have successfully passed through an unprecedented depression, both in magnitude and intensity. Physical volume production this year for the first time since 1929 exceeded normal, and yet it is generally believed that we are today at the crossroads.

A tremendous change in public sentiment has taken place since mid-August. The reasons for conservation may be summed up as follows:

A declining stock market. Abnormal labor unrest.

A higher level of producing costs as compared with a year earlier.

A further elevation in the cost of living.

Comparatively large stocks of finished goods and greater consumer resistance, which is the inevitable aftermath of an aggressive policy of forward buying.

A diminishing rate of industrial activity, particularly in the lighter goods industries, such as textiles and shoes, under the stress of limited new orders.

A subnormal volume of building, restricted by high costs.

Signs of diminishing activity in the capital goods industries.

No Boom, No Depression

Despite the fact that the trend of industrial activity as well as commodity prices, producing costs, and the cost of living has steadily mounted for over three years, a study of the economic status from a world as well as domestic standpoint, fails, in my opinion, to substantiate the position that a collapse is imminent.

When all is said and done, there are three possibilities — first, an abrupt return of confidence, rapidly advancing industrial trends, representing a boom that would shorten the life of the so-called prosperity area. Second, a sharp retrenchment, resulting in a continuation of, or a new depression era. Third, comparatively limited fluctuations in business, with the average equal to and moderately above normal.

Near-term inflationary movements in the business structure, prices, and the stock market, which would quickly lead to another smash, are not in evidence. However, there is no economic or statistical foundation that supports the contention that a severe decline or a renewal of the depression area is directly ahead. It seems more logical to anticipate business trends that will escape sensational or radical fluctuations.

Never in economic history has a major depression directly followed on the heels of a major depression, and this period is not an exception. Furthermore, there is an absence of forces that in the past have preceded a collapse. Latest statistical data discloses that world industrial output during the first half of 1937 surpassed the peaks of 1929, and has reached the highest level ever known. This is not the case in the United States or Canada. Furthermore, the volume of world trade according to the League of Nations, has increased to within 10% of the 1929 figures. We cannot boast of any similar improvement. The unprecedented world armament programme has in part been instrumental in forcing production and consumption from a world standpoint to new peaks. In the aggregate, production in North America, although steadily increasing, has fallen far short of the 1929 peak.

Temporary Lower Levels

Upward production trends in recent years do not necessarily mean that any penalty must be paid because of excess output. There is a temporary problem in the consumer goods industries because during the period of rising prices and advancing labor costs, a programme of forward buying was necessary from a protective standpoint. Stocks today of finished goods are larger than a year earlier. Weakness in raw material markets and greater stabilization of producing costs have naturally caused buying conservation. Hence, until stocks are moved into consuming channels, there is only one course for production, which is toward lower levels. This should be regarded as a temporary status for in the background there are no radical maladjustments in the price relationship of the various important commodity groups.

As long as there is adequate purchasing power, consumption is not subject to any prolonged contraction. Equally important, expanding production in basic raw materials has, over a period of more than two years, failed to cope with consumption. A check-up reveals that inventories of basic raw materials today, such as hides, leather, glue, pulp, rubber, petroleum, copper, lead, zinc, rayon, silk and wool, irrespective of population growth, stand substantially under the average of former years. Even during the summer period, inventories have shown little disposition to register an important increase.

Price and Purchasing Power

In September, 1936, the McGill index of all commodity prices stood at 76.9 (1926 equaling 100). This year the index average for September is 85.1, representing an increase that measures 12%. According to the National Industrial Conference Board, the cost of living index in the United States in July, 1936, registered 85.2. For the same month this year the index was 88.9, an increase of approximately 4%. Average prices in department stores, which represent retail costs, increased from a year ago about the same as the elevation in basic raw materials, or roughly 10%. Such increases would have a severe adverse effect upon the business outlook if it were not for the fact that increases of prices and costs are more than offset by the advance in purchasing power.

According to the United States Department of Agriculture, the income to the farmers from marketings and government payments during the calendar year, 1937, will approximate $9 billions, or more than $1 billion increase over 1936, and the highest since 1929. Income during the second half of the current year is estimated at over $5 billions, or 13% greater than the corresponding period last year.

Statistics covering factory employment and payrolls are also highly favorable, as payrolls during the late summer stood 27% higher than a year earlier. Purchasing power in North America as compared with a year ago has outstripped the increase in commodity prices and the cost of living. The means to buy exists, but the willingness to buy has been temporarily checked. It is likely to expand at any moment with the restoration of confidence, particularly as prices have weakened. Actual purchasing power will act as a column of great strength under the business structure.

Commodity Price Trend

In considering commodity price trends, it must be borne in mind that world crop production has not registered the same broad increase as in the United States. Canada suffered considerable crop deterioration. Consequently, from a world standpoint, there is no burdensome surplus. Another important phase is that next season a very rigid crop control programme will be effected in the States. The inevitable change in the supply-to-demand ratio during the early fall period will continue to act as a weight on the price structure and prolong the period of low prices. However, the bulk of the price readjustment toward lower levels has run its course. There is no immediate buying incentive, yet this does not mean that hand-to-mouth buying will be practical for an indefinite period. During the fourth quarter, seasonal laws will undoubtedly be established in the majority of agricultural products, followed by some strengthening by early 1938, at which time psychology will change when the terms of the more rigid soil conservation programme will be better known.

Industrial Group

The industrial group also reached a peak last April and has subsequently declined close to 6%, but remains fully 10% higher than a year earlier. The past year has brought some return of mass-production and rapid-turnover principles, and, at the moment, with demand limited and buyers somewhat frightened by the abrupt turn in economic affairs, pressure is still heavily clamped on the price structure. Therefore, for the present it is practical to defer aggressive buying, following the market along. There cannot, however, economically be any broad decline, chiefly because stocks of raw materials are subnormal and cannot be rebuilt over night. Furthermore, producing costs, which are comparable with 1929 levels, are not on the eve of any important decline. The moment that demand picks up, which is substantiated by adequate purchasing power, then sentiment will change followed by aggressiveness replanting conservatism.

It would appear that the near-term temporary period of indicated price weakness offers a new opportunity to enlarge holdings for future consuming needs. Fundamentally, business is in the early stages of a new era above normal, and if this is the case, then prices of industrial products of late 1937 and early 1938 will hold on a firm basis.

Background of Business

Auto Prices

Evidence continues to accumulate that higher prices are likely on automobiles next year in addition to the advances recently made, states Canadian Automotive Trade. This authority, after mentioning the last month's session of the tariff board, does not consider that there will be very much governmental action affecting the motor industry in the near future. Sales, it is stated, have continued well, right up to the point where current models are no longer available. Dealers are reported to be in a good position so far as used cars are concerned. Factory shutdown between current and new models will be of record short duration.

* * *

Dairy Revenue Up in West

Not since 1930 have Alberta farmers received as much revenue from dairying as they expect to reap this season. Output of butter, cheese and milk is expected to be much larger than 1936 when the total was valued at $15.5 millions. Late rains from August on have stimulated pastures amazingly in former dry areas.

Even in drought stricken Saskatchewan where crops were completely dried up in the southern districts early in the summer, milk production has been maintained and is now increasing. As a result it is expected that dairy output in that province will at least equal that of last year and may exceed it. There, too, pastures and late crops have shown miraculous improvement as a result of late rains in most districts. In Manitoba where dairy conditions have always been more stable and dairying has been longer established a steady increase in volume and value is also expected.

Bankruptcies

The Canada Gazette announces meetings of the creditors in the matter of:

Yaskiw, Wm., Thorsby, Alta.
Thomas, E., Vancouver, B.C.
Cummings & Co. Ltd., F. L., Vancouver.
Martin, W. A., London, Ont.
Wilkins, O. J. M., London.
Hardman, G. R., Burlington.
Labonte, P., Embrun.
Giffin Gold Mines Ltd., Toronto.
Lemmetti, F., Montreal, P.Q.
Ein, A. L., Montreal.
Novick, H. D. & A., Montreal.
Pollet (The) Sales Co., Montreal.
Desjardins, J. A., Montreal.
Amiot, O., Outremont.
Faber, J. S., Chateau d' Eau.
Aurele, Dame A. M., Montreal.
Vermette, J. B., St. Jerome.
Champagne, F. X., Montreal.
Jasmin, L. P., Montreal.
Ginsberg, M., Montreal.
Dagenais, R., Montreal.
Moreau, P., Cap de la Madeleine.
Rochette, J. P., La Malbaie.

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THE CANADA PERMANENT
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THREE WOMEN
SAID "NO"!

THE MAKERS of Jewel Shortening faced a triple-barbed problem: ONE, to re-arouse dealer enthusiasm for a vastly improved product under an old name; TWO, to convince skeptical or habit-bound housewives who believed that top quality shortening results could be obtained only at a premium price; THREE, to clinch the loyalty of a large group of *present* users.

The successful answer logically was a triple one: an intriguing new set of recipes, one each month . . . distribution of those recipes through dealer display only . . . a challenging offer to every newspaper reader: "Bake these new Five-Star cookies. We'll gladly pay you twice what they cost if you don't agree Jewel gives results as fine as the costliest shortenings!"

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The makers of Swift's Premium Hams and Bacon, Jewel Shortening, Pard Dog Food, etc., etc., have been clients of J. Walter Thompson in Canada since 1931.

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SECURITIES SHOULD BE SUPERVISED

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NEWMARKET CANADA

Banking

Gain of $90 Millions In August Bank Loans

Ratio of Current and Call Loans to Savings Deposits in Canada Up Three Points Over August, 1936

Volume of bank loans to Canadian enterprise at large still indicates bank confidence in the business outlook.

Current loans in August increased almost $13 millions over July and marked a $90 millions gain over August of last year, according to the composite statement of chartered banks submitted to the minister of finance.

The Financial Post credit index based on the ratio of current and call loans in Canada to demand and savings deposits again rose by a small fraction, scoring almost a three point gain over August, 1936.

Stock market weakness accounted for a drop of $500,000 in call loans. Holdings of municipal securities were down one and a half millions, but in public and other securities, holdings advanced almost $24 millions.

Public deposits advanced, demand deposits increasing $19½ millions and savings $5½ millions.

Short term Government securities are down $37½ millions and long terms are up $30 millions.

Comparative detailed figures follow:

ASSETS	August, 1937	July, 1937	Change	August, 1936	Change
	$	$	$	$	$
Immediately Available Liquid Assets					
Canadian coin	5,102,920	4,681,489	+ 421,431	5,277,352	— 174,432
Bk. of Can. notes	50,130,788	43,587,078	+ 6,543,710	38,614,874	+ 11,515,914
Bk. of Can. depos.	185,259,248	182,516,827	+ 2,742,421	180,742,659	+ 4,516,589
Bank's cash	240,492,956	230,785,394	+ 9,707,562	224,634,885	+ 15,858,071
Other bank notes	6,477,775	5,918,802	+ 558,973	8,326,733	— 1,848,958
Gold & sub. coin abd.	4,108,759	4,006,210	+ 102,549	11,657,132	— 7,548,373
Foreign banks	99,448,962	119,633,699	— 20,184,737	140,957,077	— 41,508,115
Foreign curr.	25,360,108	24,292,547	+ 1,067,561	25,590,453	— 230,345
Gov. sec. short term	391,497,345	429,244,917	— 37,747,572	403,301,396	— 11,804,051
Do., long term	726,747,127	696,641,954	+ 30,105,173	680,235,317	+ 46,511,810
Call loans abroad	74,524,801	73,485,094	+ 1,039,707	58,531,481	+ 15,993,320
	1,568,657,833	1,584,008,617	— 15,350,784	1,553,234,474	+ 15,423,359
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	115,605,749	117,179,124	— 1,573,375	115,573,200	+ 32,549
Public secs.▲	79,548,438	66,696,686	+ 12,851,752	56,100,077	+ 23,448,361
Other secs.	132,550,931	121,469,751	+ 11,081,180	99,951,451	+ 32,599,480
Can. call loans	113,997,829	114,426,462	— 428,633	90,527,543	+ 23,470,286
Current loans	747,670,894	734,888,808	+ 12,782,086	657,362,195	+ 90,308,699
Loans abroad	159,669,042	158,463,301	+ 1,205,741	155,368,454	+ 4,300,588
Prov. loans	19,862,964	18,446,014	+ 1,416,950	21,861,564	— 1,998,600
Mun. loans	95,384,940	98,207,781	— 2,822,841	96,540,238	— 1,155,298
	1,464,290,787	1,429,777,927	+ 34,512,860	1,293,284,722	+171,006,065
Other Assets					
Non-curr. loans	11,701,089	11,680,616	+ 20,473	13,364,286	— 1,663,197
Real estate	8,659,480	8,695,439	— 35,959	8,929,814	— 270,334
Mortgages	4,248,116	4,250,776	— 2,660	4,570,092	— 321,976
Premises	74,548,355	74,514,691	+ 33,664	75,520,799	— 972,444
Letters of credit	66,059,572	68,787,818	— 2,728,246	62,887,891	+ 3,171,681
Loans to comp.	11,095,806	11,175,303	— 79,497	9,170,994	+ 1,924,812
Other assets	2,040,932	1,975,284	+ 65,648	1,895,012	+ 145,920
	178,353,350	181,079,927	— 2,726,577	176,338,888	+ 2,014,462
Total	3,211,301,970	3,194,866,471	+ 16,435,499	3,022,858,085	+188,443,885
Note circ. dep.	7,025,143	7,025,143	....	7,021,118	+ 4,025
Int. bank bal.	108,020,277	97,044,866	+ 10,975,411	110,804,488	— 2,784,211
Gross	3,326,347,390	3,298,936,480	+ 27,410,910	3,140,683,691	+185,663,699
LIABILITIES					
To the Public					
Circulation	110,939,351	113,363,675	— 2,424,324	123,527,133	— 12,587,782
Dom. Govt.	35,712,172	36,295,736	— 583,564	10,321,820	+ 25,390,352
Prov. Govt.	44,708,256	46,941,055	— 2,232,799	35,184,772	+ 9,523,484
Deposits by Public					
Demand dep.	686,448,383	666,767,428	+ 19,680,955	626,323,498	+ 60,124,885
Savings dep.	1,577,638,802	1,572,154,385	+ 5,484,417	1,502,821,895	+ 74,816,907
Total	2,264,087,185	2,238,921,813	+ 25,165,372	2,129,145,393	+134,941,792
Foreign dep.	433,620,529	427,482,612	+ 6,137,917	427,473,150	+ 6,147,379
Due to Banks Abroad, Etc.					
United Kingdom	13,150,703	13,290,353	— 139,650	10,420,422	+ 2,730,281
Foreign	41,904,640	40,608,467	+ 1,296,173	31,705,748	+ 10,198,892
Bills payable	1,230,474	1,117,708	+ 112,766	1,296,694	— 66,220
Letters of credit	66,059,572	68,787,818	— 2,728,246	62,887,891	+ 3,171,681
Other liabs.	2,816,950	2,870,511	— 53,561	2,698,001	+ 118,949
Total public liab.	3,014,229,832	2,989,679,748	+ 24,550,084	2,834,661,024	+179,568,808
Due bet. banks	14,981,823	15,552,673	— 570,850	12,556,569	+ 2,425,254
Liability to Shareholders					
Dividends	2,951,298	2,546,286	+ 405,012	2,945,499	+ 5,799
Reserve	133,750,000	133,750,000	....	132,750,000	+ 1,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,311,412,953	3,287,028,707	+ 24,384,246	3,128,413,092	+182,999,861
Credit index*	38.0%	37.9%	+ 0.1%	35.1%	+ 2.9%

▲ Other than Canadian.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Sept. 27 1937	Sept. 28 1937	Sept. 29 1937	Sept. 30 1937	Oct. 1 1937	Oct. 2 1937	Oct. 2 1936
U. S. dollar, High	1.00	1.00 1/16	1.00 1/16	1.00 1/16	1.00	1.00	......
Low	1.00	1.00	1.00	1.00	1.00	1.00	......
1936, High	1.00 3/16	1.00 1/16	1.00 1/32	1.00	1.00	.99 31/32	......
Low	1.00	1.00	.99 31/32	.99 31/32	.99 31/32	.99⅞	......
U. K. pound	4.94⅞	4.94¾	4.95	4.95	4.95½	4.95½	4.92¾
Australia	3.96¼	3.96¼	3.96⅜	3.96⅜	3.96¾	3.96¾	3.93½
Austria	.1889	.1889	.1889	.1889	.1889	.1889	.1889
Belgium	.1684½	.1684½	.1684¼	.1684	.1684¾	.1685½	.1683
Brazil	.0645	.0630	.0625	.0630	.0625	.0615	.0584½
Czechoslovakia	.0349⅞	.0350	.0350	.0350¼	.0350¼	.0350¼	.0412
Denmark	.2209	.2210½	.2210½	.2211	.2213½	.2213½	.2202
France	.0342⅜	.0341⅞	.0342	.0342⅝	.0343⅜	.0329½	.0466
Germany	.4013	.4013	.4013	.4013	.4014	.4015	.4019
Greece	.0091	.0091	.0091	.0091	.0091	.0091	.0090
Holland	.5527	.5523½	.5529	.5529½	.5530	.5530	.5342
Hungary	.1977	.1977½	.1977½	.1977	.1977	.1977	.1878
India	.3745	.3741	.3740	.3742	.3743	.3747	.3729
Italy	.0526¼	.0526¼	.0526¼	.0526¼	.0526¼	.0526¼	.0759¾
Japan	.2890	.2886	.2886	.2886	.2886	.2890	.2878
Jugoslavia	.0233½	.0233½	.0233½	.0233½	.0233½	.0233½	.0230
New Zealand	3.99¼	3.99¼	3.99½	3.99¼	3.99¾	4.00	3.96¾
Norway	.2487	.2487½	.2487½	.2488½	.2490½	.2491½	.2477
Poland	.1892	.1892	.1892	.1892	.1892	.1892	.1889
South Africa	4.93⅞	4.93¾	4.94⅜	4.94	4.94½	4.94½	4.90⅜
Sweden	.2552	.2552½	.2552½	.2553½	.2555½	.2555½	.2541
Switzerland	.2297	.2296½	.2296¾	.2297½	.2297½	.2298	.2301
Hong Kong	.3101	.3098	.3098	.3100	....	.3102	.3067

Staff Changes

The Royal Bank of Canada announces the following staff changes:

A. R. Smith, formerly manager, Antigonish, N.S., to Wolfville, N.S., as manager.

L. E. Vinet, formerly head office, to Quebec, St. John St., as manager.

D. B. Maclean, formerly supervisor's dept., Vancouver, to Quesnel, B.C., as manager.

H. J. Evennett, formerly manager, Sackville, N.B., to Kingston, Ja., as manager.

F. W. Clark, formerly first assistant accountant, Toronto, to Kitchener, as accountant.

L. J. Tondreau is appointed accountant at Montreal, St. Denis and St. Catherine Sts.

E. A. Bushnell is appointed accountant at Montreal, Bonaventure Branch.

F. L. Redden, formerly accountant, Kitchener, to Kirkland Lake, Ont., as accountant.

R. F. Garrard, formerly accountant, Kirkland Lake, to London, Ont., as accountant.

R. Creighton of Wolfville, N.S., retires on pension.

Alberta Banks Show Losses On Operations

Only 41 of 221 Branches Reported Profit in 1936

Only 41 of Alberta's 221 branch banks operated at a profit during 1936, according to figures announced by Vernon Knowles, public relations adviser to the Canadian Bankers' Association in his radio broadcasts to the people of Alberta.

Seven of the 41 branches showed a profit of less than $300 for the whole year.

Mr. Knowles did not reveal the extent of losses but stated that from 1926 to 1935 they were "very substantial."

Answering the war-cry of the Social Credit enthusiasts that "The banks should be taxed," Mr. Knowles related that in the past 10 years taxes for all of Canada have amounted to $74,301,000.

With the increased bank tax of last year and the tax already levied by Mr. Aberhart this year, every branch bank in Alberta is now taxed $2,334 for municipal and provincial levies which does not include the heavy Dominion taxes or the recent proposed increase of Mr. Aberhart.

"Then why do the banks continue to operate in Alberta?" the speaker asked. "Canada's banks have faith in Alberta's future and in the people of this province. We feel sure that the period of drought and hardship will pass.

"When we are losing money if costs are increased by steep advances in taxes, what then? The alternative is either to pass on to our customers these added costs or steadily close out losing branches to a point where ends can be made to meet. Either way is a hardship for our customers."

Loans in Alberta

Between Jan. 1 and Aug. 31, 1937, according to Mr. Knowles, loans were made by chartered banks to 57,634 Alberta customers. Of that number, 20,502 went direct to farmers and ranchers, other individuals accounted for 13,050 loans and 1,701 home owners got Home Improvement loans.

"Don't let anyone tell you we've stopped lending in Alberta," Mr. Knowles added.

Banks are formed, he said, "by groups of responsible people who believe that they can offer a service which the community needs and is willing to pay for, at a rate which will yield a reasonable profit. These are the motives of any business."

"No business is subject to such complete control and such parliamentary scrutiny as are the chartered banks. Although the Bank Act can be amended at any time by Parliament every 10 years bank charters expire and the Act is thrown open for what is known as the decennial revision—a sweeping and searching enquiry conducted by the Banking and Commerce committee of the House of Commerce. Alberta has three members on that committee."

Bank Chat

Collapse of Franc

With the French franc clattering to the lowest price since the crisis of 1926, the world's bankers admit they are now threatened with a series of maladjustments which might bring on a fresh chain of currency collapses. They are also seeing the questionable wisdom of monetary policies adopted over a decade ago.

Even though Britain and U.S. are successful in preventing further depreciation of their exchanges, it is pointed out that France may eventually be forced to stabilize the franc at cheaper levels. That would result, they say, in repeating the fundamental error of the post-war stabilization — the error which, according to many experts, was responsible for the collapse of the post-war gold standard. This was the relative undervaluation of the franc and overvaluation of sterling which resulted in a constant drain of gold to France.

A situation of monetary chaos closely paralleling that which followed the war is the fear in more than a few expert minds.

• • •

U. S. Bank Reforms

The Association of Reserve City Bankers has just appointed a commission which will review the field of U. S. banking and make suggestions for its reformation, which might be incorporated in future legislation.

Loud protests have been coming from various U. S. financial journals against any suggestions from the commission which would junk the unit system of banking and bring U. S. banking nearer the Canadian branch system.

Bank of Canada Weekly Statement

Decline of over $6 millions in holdings of U. S. and sterling currency in Bank of Canada reserve funds is reported in the regular weekly bank statement.

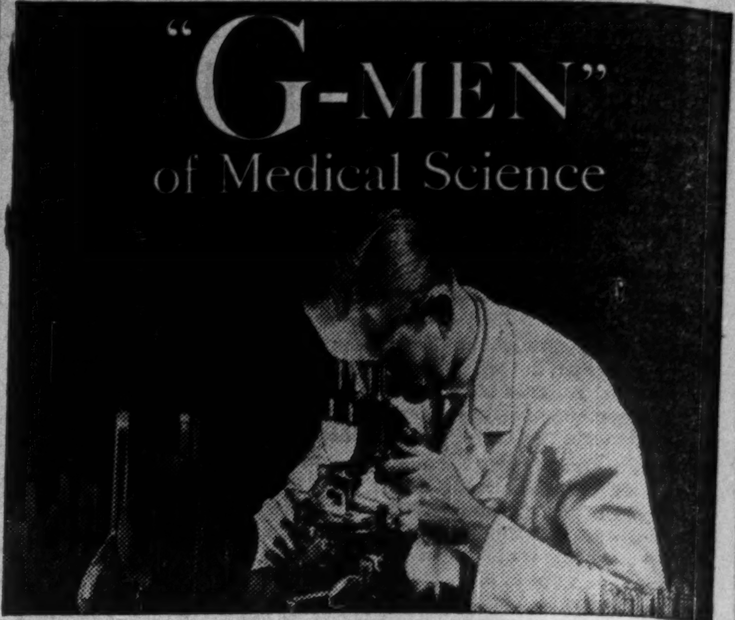
Since deposits of the Dominion Government and chartered banks has declined some $5.5 millions it is thought probable that the sharp decline may be explained by the payment of obligations abroad, most likely in United States.

Balance Sheet

	Sept. 29 1937	Sept. 22 1937
	$	$
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	161,333,321	159,347,922
Rest fund	743,716	743,716
Depos.: Dominion	26,307,947	29,793,391
Banks	179,985,619	182,163,077
Other	675,718	1,469,627
Total deposits	206,969,284	213,426,095
All other liabs.	2,258,244	2,359,375
Total liabs.	381,404,564	385,977,108
Assets		
Reserve: Gold	179,473,814	179,473,814
Silver bullion	2,573,435	2,573,435
Res. in sterling and U. S.	26,068,106	32,305,312
Other curr.	804	804
Total reserve	208,116,159	214,353,365
Subsidiary coin	103,520	136,428
Investments:		
Dom. govt. short	63,253,236	60,176,270
Other Dom. govt.	96,116,636	97,357,717
Other secs.	10,994,693	10,994,420
Total invest.	170,364,565	168,528,407
Premises	781,512	778,790
All other assets	2,038,808	2,180,118
Total assets	381,404,564	385,977,108
Reserve ratio	56.50%	57.50%

Weekly Bank Clearings

	Sept. 23 1937 $ Sept. 30	Change yr. ago % Change	Sept. 16 1937 $ Sept. 23
Saint John	1,801,791	+ 2.6	1,788,372
Moncton	800,709	+ 5.8	808,348
Sherbrooke	739,072	+39.3	743,032
Quebec	4,876,509	+30.9	5,483,309
Montreal	114,786,670	+ 8.5	101,490,017
Ottawa	15,502,943	— 1.8	15,826,749
Kingston	620,435	—36.4	572,400
Peterborough	568,257	— 6.3	587,267
Toronto	107,672,762	—15.6	106,231,957
Hamilton	5,920,772	+22.7	6,333,456
Kitchener	983,283	—16.6	1,335,662
Brantford	840,713	+ 0.5	936,070
London	3,042,135	+18.7	2,520,809
Chatham	541,173	+14.8	576,244
Windsor	1,356,656	—46.0	2,785,553
Sarnia	374,339	— 1.6	535,537
Sudbury	1,183,510	+19.7	925,948
Fort William	783,887	+ 5.9	835,227
Winnipeg	56,939,121	—26.2	50,768,890
Brandon	435,223	+ 8.9	423,147
Regina	4,028,989	—50.6	3,881,255
Moose Jaw	469,304	—44.4	660,753
Saskatoon	1,353,016	—38.7	1,510,517
Prince Albert	442,173	+11.0	471,823
Edmonton	4,113,377	+ 4.1	4,516,811
Calgary	7,058,520	— 9.3	7,071,883
Medicine Hat	396,356	+36.5	279,778
Lethbridge	709,367	+19.7	704,431
N. W'minster	784,994	+ 4.2	641,978
Vancouver	17,980,090	— 9.4	18,251,695
Victoria	1,550,204	—10.9	1,820,210



"G-MEN" of Medical Science

MORE lives have been saved by the "G-Men" of medical science than were destroyed by Alexander, Caesar, Napoleon, and all the other would-be world conquerors put together. Perhaps you, yourself, are alive and well because Pasteur discovered the nature of germs; Jenner, the vaccine for smallpox; Wright, the preventive for typhoid; von Behring, the means for ending diphtheria.

The determination of these heroes is proverbial. For example, Ehrlich made 605 unsuccessful experiments before he discovered "606"—now used in the treatment of early syphilis.

Many outstanding "G-Men" of medicine have received recognition for their great victories. Many more, unknown and unsung, are giving their lives to exploring, probing, unearthing the secret causes of disease. You hope, with everybody else, that these scientists will discover how to prevent or cure cancer; how to stop the destructive waves of influenza; how to check the early onset of heart disease.

Scientists are already producing effective serums to combat several common types of pneumonia. For the remaining types, they may soon have either effective serums for treatment or a vaccine for prevention. They have made great strides in the fight against tuberculosis. They now treat successfully certain types of blood infection formerly regarded as deadly.

The "G-Men" have shown us how to control diabetes with insulin, and pernicious anemia with liver extract. Today they are perfecting methods to ward off or lessen the severity of whooping cough, scarlet fever, asthma, hay fever, and other diseases which have baffled doctors throughout the centuries.

Largely because of their work, the average length of life of children born in Canada and the United States this year is expected to be at least 61 years, although the children born in 1900 could hope for about 49 years and those born a century ago, considerably less. Thanks to the "G-Men" of medical science, you live in an age when more has been done to protect human life from disease than ever before, and you dwell in a community which may profit from their tireless research. You can prove your gratitude by warmly cooperating with health officials, physicians, civic organizations and hospitals that bring these great discoveries to you and your neighbors.

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Canadian Head Office, Ottawa.

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BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which the Western Australian Bank & The Australian Bank of Commerce Ltd. are amalgamated)

Paid-up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Proprietors	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., [illegible]	£115,150,000

A. C. DAVIDSON, General Manager.

[illegible] BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.

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1832 1937

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NEWFOUNDLAND, JAMAICA, CUBA, PUERTO RICO, DOMINICAN REPUBLIC
•
NEW YORK, CHICAGO, BOSTON, LONDON, ENGLAND

The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

379

Position of Chartered Banks of Canada as of August 31st, 1937, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere▲	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$		$	$	$	$	$	$	$	$	$	$		$	$	$	$
Montreal	24,044,897	17,106,602	7,474,003	....	185,527,429	427,848,721	62,943,379	3,108,788	3,214,887	6,399,252	171,642	9,859,338	2,242,974	727,621	39,000,000	36,000,000	825,669,539
Nova Scotia	10,348,574	1,353,698	1,056,475	....	42,213,144	147,336,242	45,476,343	1,985,747	278,794	1,920,791	2,259	5,782,601	87,834	363,041	24,000,000	12,000,000	294,205,540
Toronto	4,224,090	2,442,736	201,789	....	34,267,715	77,454,055	352,801	1,231,558	591,945	2,389,458	620,937	1,568,509	....	150,470	9,000,000	6,000,000	140,496,066
Provinciale	3,222,431	133,127	1,876,057	....	7,551,907	38,183,891	140,555	4,704	....	138,035	....	56,659	8,735	63,846	1,000,000	4,000,000	56,379,952
Commerce	22,377,172	4,495,359	14,992,116	....	153,744,632	308,747,929	62,185,749	1,992,543	3,164,615	10,576,609	38,114	20,833,443	....	608,142	20,000,000	30,000,000	653,751,428
Royal	29,597,312	5,253,676	12,250,696	....	166,451,129	315,098,153	252,320,706	554,767	924,325	14,952,893	332,603	21,589,344	58,108	714,902	20,000,000	35,000,000	875,098,620
Dominion	5,888,141	1,640,554	361,702	....	34,307,015	73,658,798	4,952,989	3,170,043	230,837	761,167	....	3,448,571	237,424	176,463	7,000,000	7,000,000	142,833,711
Nationale	5,146,059	724,482	416,937	....	26,313,864	97,815,559	944,124	1,631,293	85,915	1,285,839	69,919	750,188	181,827	142,393	5,000,000	7,000,000	147,508,404
Imperial	5,715,205	2,518,643	6,078,458	....	34,330,155	87,266,871	385,892	1,104,569	1,247,211	1,309,585	....	1,103,765	....	4,420	8,000,000	7,000,000	156,064,776
Barclay's (Canada)	375,470	43,295	23	....	1,741,393	4,228,583	3,917,991	197,811	3,412,174	2,171,011	....	1,067,154	....	....	750,000	1,500,000	19,404,908
TOTAL	110,939,351	35,712,172	44,708,256	....	686,448,383	1,577,638,802	433,620,529	14,981,823	13,150,703	41,904,640	1,230,474	66,059,572	2,816,902	2,951,298	133,750,000	145,500,000	3,311,412,953

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are partners	Average Notes and deposits with Bank of Can.	Greatest amount of Notes in Cir.
	$	$	%		$	$
Montreal	50,000,000	36,000,000	8	745,048	68,454,171	24,649,250
Nova Scotia	15,000,000	12,000,000	12	2,985,026	22,175,000	10,484,020
Toronto	10,000,000	6,000,000	10	1,626,200	11,737,614	4,449,945
Provinciale	5,000,000	4,000,000	6	182,559	6,741,379	3,306,671
Commerce	50,000,000	30,000,000	8	3,341,863	45,031,046	23,328,712
Royal	50,000,000	35,000,000	8	1,626,267	41,330,808	30,146,016
Dominion	10,000,000	7,000,000	10	1,052,832	7,867,931	6,011,501
Nationale	10,000,000	7,000,000	8	93,670	10,033,601	5,649,699
Imperial	10,000,000	7,000,000	10	630,049	11,367,821	5,901,610
Barclay's (Canada)	1,500,000	1,500,000	....	390	669,137	385,200
TOTAL	211,500,000	145,500,000	....	12,283,904	225,408,508	114,312,624

▲ Of this amount $53,832,570 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada prior to Aug., 1935. * And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of other Banks	Govt. and Bank Notes other than Canada	Cheques on other banks	Balances due from other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.
	$		$	$	$	$	$	$		$	$	$	$	$
Montreal*	1,026,867	105,060	15,019,037	49,462,257	1,596,585	799,390	26,665,407	....	1,560,744	11,052,946	133,789,620	228,994,149	37,367,974	17,088,552
Nova Scotia	355,112	1,203,680	3,551,444	20,629,339	494,595	3,706,777	9,559,907	....	484,854	9,824,640	22,785,807	61,997,081	12,656,551	1,224,813
Toronto	236,945	....	2,400,563	11,021,217	287,160	143,319	5,521,726	....	552,064	1,548,164	11,688,338	40,352,276	8,007,685	1,041,835
Provinciale	223,897	....	1,230,961	5,141,777	338,420	114,894	2,108,258	1,303,918	4,832	106,725	654,561	10,913,305	10,397,826	....
Commerce†	831,938	227,817	6,618,044	40,338,581	902,105	1,218,394	16,430,687	30	924,145	13,340,225	102,134,298	123,968,011	10,039,313	29,016,285
Royal‡	1,292,843	2,569,771	10,040,124	37,087,308	1,415,435	18,817,634	25,264,041	5,005	15,697,670	35,790,522	[illegible]3,248,874	157,766,278	11,687,437	30,797,705
Dominion	253,228	500	2,622,433	6,036,349	398,835	204,365	5,626,947	....	359,586	806,903	10,128,041	36,141,282	5,079,748	....
Nationale§	524,350	1,931	3,712,185	6,852,883	605,565	144,783	4,728,167	1,034,851	38,595	1,943,293	4,074,169	22,735,632	15,914,657	189,248
Imperial	355,884	....	4,855,212	7,826,084	429,965	198,858	6,245,757	613,622	382,770	1,651,976	9,780,284	39,005,065	4,437,459	....
Barclay's (Can.)	1,896	....	80,785	863,453	9,110	11,694	494,153	2,417,801	2,775,201	603,107	3,213,253	4,874,048	17,099	190,000
TOTAL	5,102,920	4,108,759	50,130,788	185,259,248	6,477,775	25,360,108	102,645,050	5,375,227	22,780,461	76,668,501	391,497,345	726,747,127	115,605,749	79,548,438

NAME OF BANK	Other bonds and stocks	Call loans in Canada	Call loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets▲
	$	$	$	$	$	$	$	$	$	$	$	$		$
Montreal*	39,447,909	11,229,334	31,819,393	144,257,044	13,117,528	1,399,430	31,069,985	2,416,551	630,331	588,760	14,000,000	1,789,129	1,894,975	828,048,308
Nova Scotia	13,724,572	11,313,233	2,712,194	80,944,858	15,102,943	1,144,889	5,218,227	614,643	....	103,931	6,636,648	542,572	2,713,174	295,029,099
Toronto	3,898,166	5,584,643	....	39,778,865	....	....	4,500,301	131,195	....	41,375	3,491,392	355,437	....	142,151,184
Provinciale	2,547,394	4,824,670	....	11,889,265	....	57,250	1,225,320	98,916	672,892	348,014	2,102,352	176,530	150,140	56,688,786
Commerce†	24,267,627	26,439,423	17,230,019	144,494,458	21,735,856	7,302,204	19,829,114	3,758,558	2,675,215	1,608,187	14,923,921	1,364,747	3,967,551	656,420,212
Royal‡	35,372,486	26,928,733	17,207,612	184,894,848	108,901,572	3,299,825	11,478,122	3,615,843	2,842,288	756,896	15,351,872	1,550,000	3,849,315	879,119,417
Dominion	3,353,466	9,322,266	5,396,293	45,874,243	777,948	....	957,782	320,594	100,832	35,938	5,742,400	330,000	162,945	143,481,506
Nationale§	9,783,536	9,582,227	159,290	41,903,479	33,195	646,751	14,506,438	343,216	1,524,230	393,711	5,820,317	403,679	272,171	148,622,759
Imperial	155,775	7,949,100	....	52,143,437	....	6,012,615	6,599,651	390,504	213,692	371,304	6,029,453	495,337	126,348	157,373,890
Barclay's (Can.)	....	824,200	....	1,490,397	....	....	....	11,069	....	....	450,000	17,712	....	19,412,238
TOTAL	132,550,931	113,997,829	74,524,801	747,670,894	159,669,042	19,862,964	95,384,940	11,701,089	8,659,480	4,248,116	74,548,355	7,025,143	13,136,618	3,326,347,390

*The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of a local incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement. — Footnote to the Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return. — Footnote to Banque Canadienne Nationale return.

▲Total assets include $66,059,572 letters of credit outstanding as shown in liabilities.

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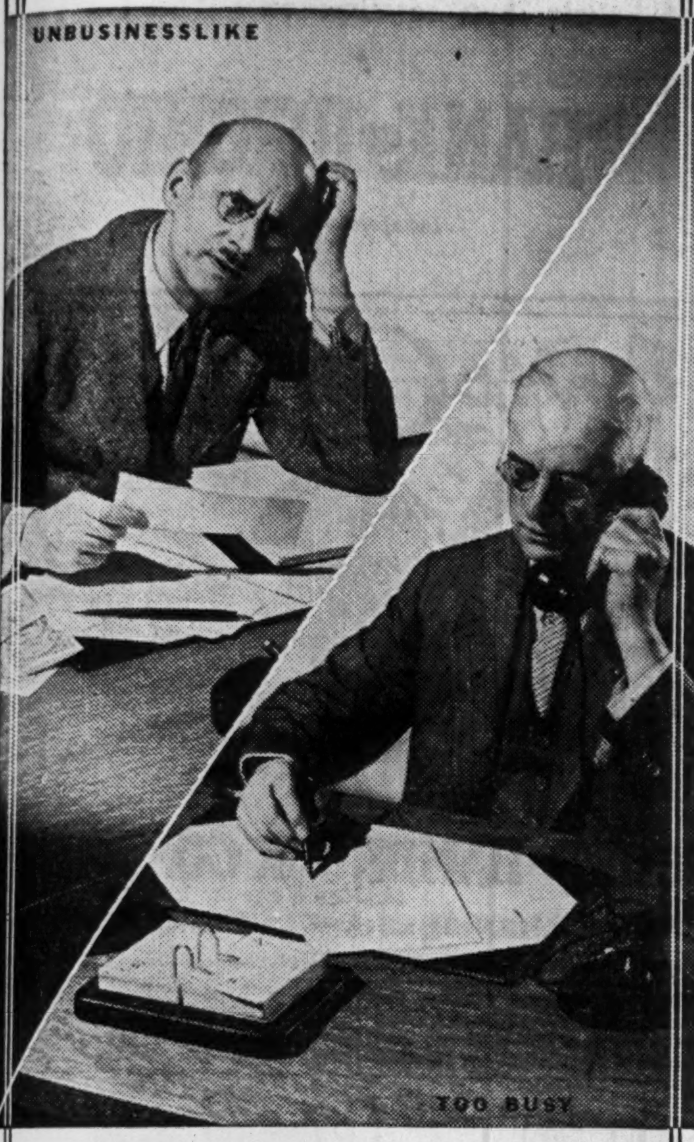
YOUR AFFAIRS

to Either?



YOUR own success has been due not only to your own ability but also to the time and attention you have devoted to your affairs. Other successful men are equally occupied with their own business or profession. The demands upon their time make it unwise for them to assume the burdensome duties of estate management.

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B. C. Lumbering

Despite a slow start at first of the year, British Columbia's saw log scale for the first eight months of this year reached 1,892,000,000 board feet, up 143,000,000 board feet from corresponding figures last year, according to provincial reports.

Twenty Outstanding Stocks

To meet the desire of our clients for current information on a well diversified list of representative Canadian stocks for investment, we have prepared a brief analysis and summary on *twenty leading companies, with comments in each case on the outlook.*

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Royal Bank

A friend suggests that Royal Bank is a good safe stock for me to buy. Will you please give me your comments?

You understand, of course, that safety in stocks is relative, because prices are subject to wide fluctuations even in the best. Under present conditions, the 8% dividend on Royal Bank stock seems safe, except that the proposed heavy taxation of banks in Alberta might affect earnings. If interest rates stiffen, so the bank can get a somewhat higher yield on its large holdings of bonds, there would be an increase in earnings. Perhaps it might be well to wait until the Alberta situation is clearer before making a decision.

Leaside

I hold bonds of the Town of Leaside and would like to know when the town's debts will be adjusted and regular interest payments resumed?

Refinancing plan for the Town of Leaside is understood to be almost completed. Agreements have been reached between the town authorities and representatives of debenture holders who have been co-operating with the Ontario Department of Municipal Affairs.. The town council has completed its applicaton to the Municipal Board for permission to issue new debentures to replace those now held by the Canadian Bank of Commerce as collateral for loans. The new debentures will bear interest at 4½%. Bank loans, funded over a period of five years, will be used for the immediate payment of the town's liabilities, including unpaid debenture interest.

Huron & Erie Debentures

I understand that the Huron & Erie Mortgage Corp. issues 10-year 3½% bonds which the purchaser can cash for their par value plus accrued interest at any time. Can you tell me if this is correct?

Huron and Erie Mortgage Corp. issues debentures for periods of from one to ten years, in denominations of $100 and over. On debentures issued for 5 years or more interest is paid at the rate of 3½%. These debentures have a fixed maturity date. The company does not undertake to cash them at par prior to maturity. This is only done in exceptional cases and would be a purely voluntary act on the company's part. There is, however, some market for debentures through investment dealers, some of whom specialize in such transactions.

Massey-Harris Bonds

Can you give me a brief report on Massey-Harris Co. 5% bonds, due 1947?

In the year ended Nov. 30, 1936, Massey-Harris Co. covered interest on its 5% bonds, after depreciation, for the first time since the serious depression in agriculture started in 1930. This year, it is anticipated, the company will show a profit; but prospects have been hurt by the serious crop damage in western Canada, and also by reduction of the crops in Argentina. On the other hand, the company's volume in the United States, in Eastern Canada and other export markets has improved, and will permit a better showing than last year. The company has been able to maintain bond interest without interruption. However, defaults of sinking fund payment were adjusted last year and it cannot pay dividends until at least $2,000,000 of bonds, besides the regular sinking fund installment, have been redeemed.

The bonds have proved a satisfactory investment so far, and their security would be improved, of course, by large redemptions, if the company's earnings improve materially.

Scarboro Township

Can you tell me when the township of Scarboro will be able to adjust its debt and resume payment of interest?

It will probably be some time before the township of Scarboro will be refinanced. The Department of Municipal Affairs for Ontario has been collecting figures and information on which to base refinancing plans for almost all of defaulting municipalities in the province. A tentative basis has been worked out for Scarboro by which interest would be paid at 60% of the original coupon value and the maturity date of debentures extended for six years. Due to more rapid recovery in the township than originally expected, there is a possibility that the interest rate finally decided on for the new debentures will be somewhat higher than this. It is not believed that any reduction in the principal of debentures will be necessary and representatives of bondholders will have a voice in the final debt adjustment.

Reanite Corp.

Can you give me any information about Reanite Corp. Ltd.?

Reanite Corp. Ltd., Ottawa, was incorporated late in 1936 with an authorized capital of 40,000 shares. It acquired the assets of Ideal Power Productions Ltd. and the contracts of Russell J. Reaney, Ottawa, for 26,988 shares. Also 4,000 shares were recently offered at $25 each, and it is expected that there will be about 30,000 shares issued. The company is the beneficial owner of patents for a product called "Reanite," described as a new adhesive or bonding material made from rubber, and stated to have a potential market in the automobile industry, in rubber manufacturing, for paint and other uses. The company has stated it has a contract with responsible parties in the United States for manufacture and sale of "Reanite" for an immediate cash payment for license and a share of profits as royalties.

Mr. Reaney is president and will have controlling interest. Other directors are Senator Hon. W. H. Sharpe, Ottawa, C. C. McLaurin, Belleville, R. Kenneth Lee, Detroit; Donald Dow, John Western, Holland Pettit, Toronto. There is no earnings record and working capital shown last year was slightly under $10,000. Sometimes such "invention" investments produce large earnings, but often they fall by the wayside. We do not know of a market for these shares, and the future value will, of course, depend upon developments.

Silverwood's Preferred

Can you tell me anything about the prospects for the preferred stock of Silverwood Dairies Ltd.?

In the 21 weeks ended Aug. 28, 1937, Silverwood Dairies Ltd. had sales of $3.1 millions, gross profits of $386,289 and net profits of $57,672. The net earnings were equivalent to 2.37 times debenture interest for the period and 40 cents a share on the preferred. Net profits for the full year ended Apr. 3, 1937, were equivalent to 50 cents a share on the preferred. At Oct. 1 arrears on the preferred totalled 60 cents a share. Among dairy companies, Silverwood's has a relatively small capitalization in relation to assets. It has a relatively good earnings record under present conditions, although there is a substantial funded debt ahead of the preferred stock.

Empire Starch Products

Can you give me any information as to the prospects of success for Empire Starch Products Ltd. and the standing of its sponsors?

Empire Starch Products has some 500 acres under cultivation in British Honduras for production of cassava roots. The derivative product is to be tapioca starch used industrially for adhesive purposes. The company has support of British colonial officials and a grant of $25,000 was made from the government. There is always doubt about the success of any such venture, but the manager, George L. Patterson, is experienced in the marketing of starch products, and the directors are responsible persons. The preferred shares of $10 each represent the cash being invested in properties and machinery, but, of course, the ultimate value of the shares will depend largely upon the results of operations, whether profitable or not. Dividends of 6% start to accrue on the preferred shares from the commencement of production. This means that the dividends become cumulative this year, but it may be some time before it will be possible to tell just how much the company will be able to earn

Can. Western Lumber

Can you give me any details of operations of Canadian Western Lumber Co?

Canadian Western Lumber Co. has share capital of 3,100,000 shares of $2 each. There is £344,345 of first mortgage debenture stock outstanding and £1,139,313 of 5% cumulative income debenture stock. Arrears of interest on the income debenture stock at the end of 1936 amounted to 62½%. This debenture stock sells in the London market around 109, while the $2 common shares have been above four shillings. Since 1933 there has been a sharp increase in earnings available for debenture charges. Earnings in 1933 amounted to $157,926, and had $750,913 in 1936. You can see that with very large arrears, the income debenture stock is much less risky than the common shares. If earnings continue around the levels of 1935 or 1936, the annual interest can be paid, preventing further accumulation of arrears.

Manufacturers' Finance

Can you tell me if the preferred and common stocks of Manufacturers' Finance Corp. are of any value?

Preferred and common shares of Manufacturers' Finance Corp. are of no value. The company is being liquidated by E. R. C. Clarkson & Sons, Toronto, who have only been able to make partial payments to the three banks which had granted loans to the company. On the bonds and gold notes, payments have been made ranging from 12.50% to as low as 4.27% of the principal amount. Last payments were made on June 1, 1933, and we were informed in July, 1937, that there was no immediate prospect of further payments. From this it would appear that holders of the company's stocks are unlikely to realize anything from its liquidation.

The Abitibi Plan, 4

Pros Versus Cons

Drafted With Participation of Major Bondholders Plan of Representative Committee Likely to Pass at Meeting

On Oct. 15, bondholders of Abitibi Power & Paper Co. meet at Toronto, at 11 a.m., to vote on the plan of reorganization drafted by the Bondholders' Representative Committee.

The plan has the support of representatives of larger Canadian institutional investors such as Sun Life Assurance Co., Mutual Life Assurance Co., London Life Insurance Co. Also in support are the Investment Protection Committee of the British Insurance Association and the British Association of Investment Trusts.

The plan has been criticized by the liquidator of the company, by parties interested in a large degree as shareholders, and more recently by a Bondholders' Defensive Committee.

Alternative Possibilities

What would happen if bondholders vote against the plan?

Abitibi would remain in receivership and bondholders might wait for the company to earn its way back to solvency, or efforts might be made to put one of the other reorganization plans into process. From the practical standpoint, it should be noted that other plans that have been proposed under company laws require support of 75% of each class of creditors and shareholders and might therefore be difficult to attain.

In view of the uncertainty and delay that would develop if the scheme were defeated, the bondholder will ask himself: Why not vote in favor? Will I not benefit most if the Abitibi situation is cleared up quickly?

If the plan is passed by bondholders, there is every evidence that there will be a long legal battle in the courts. Also there is the possibility of some government intervention. But without second sight on such uncertainties, the bondholder can only vote on the plan as he sees it; unless of course, there is a more favorable proposal, a cash offer for instance. So far, there has been no offer to pay bond interest arrears in cash.

Considering the plan as it stands, two chief objections have been raised by critics:

1. That the recent sharp rise of Abitibi earnings antiquates the reorganization plan.

2. That Abitibi will not need $14 millions of new money provided in the plan and it is therefore unnecessary to impose such a prior lien.

The first objection is widely voiced. But J. P. Ripley of the Representative Committee suggests that overoptimism now might result in repetition of the mistakes of 1928 which caused Abitibi's difficulties. It does seem that whatever the solution of the Abitibi problem sufficient elasticity should be provided to take the company through lean years as well as fat years. The plan meets the requirements of elasticity to a high degree.

Prior Lien Issue

About the $14 millions of prior lien bonds, there has been wide dispute. The view of the Representative Committee is that the money will be needed to provide working capital, to pay reorganization expenses, unsecured creditors, and for capital expenditures. While it is expected that earnings will improve sharply in 1938, it is noteworthy that the plan of the Representative Committee provides for interest accruals from July 1, 1937. This means that initial payments will be due Jan. 1, 1938, and earnings for next year are therefore regarded by the Representative Committee as income, rather than as capital to be used in reorganizing the enterprise.

The idea of a prior lien of $14 millions is disliked by some bondholders who are not prepared to concede that the money will pay for itself if properly employed. On the other hand, there can be no doubt that the large institutional investors who participated in drafting the scheme weighed such considerations carefully before adopting them. With the votes of such large bondholders, the present indication is that the plan will have a majority at the forthcoming meeting.

Shareholders have a big interest in the plan but are not entitled to vote at the bondholders' meeting. The plan gives most of the initial equity to present stockholders although they will have to pay off debt within one year to protect their full proportion of the share capital. While the case of the shareholders must eventually be settled in the courts the bondholders have the first opportunity of deciding their own.

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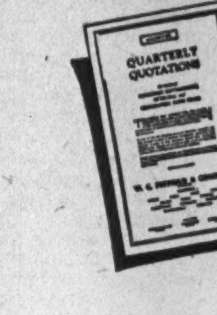

"QUARTERLY QUOTATIONS"

. . . is the title of a leaflet which we publish every three months. The October issue is now ready for distribution. In it are listed approximately 400 bond issues of interest to Canadian investors.

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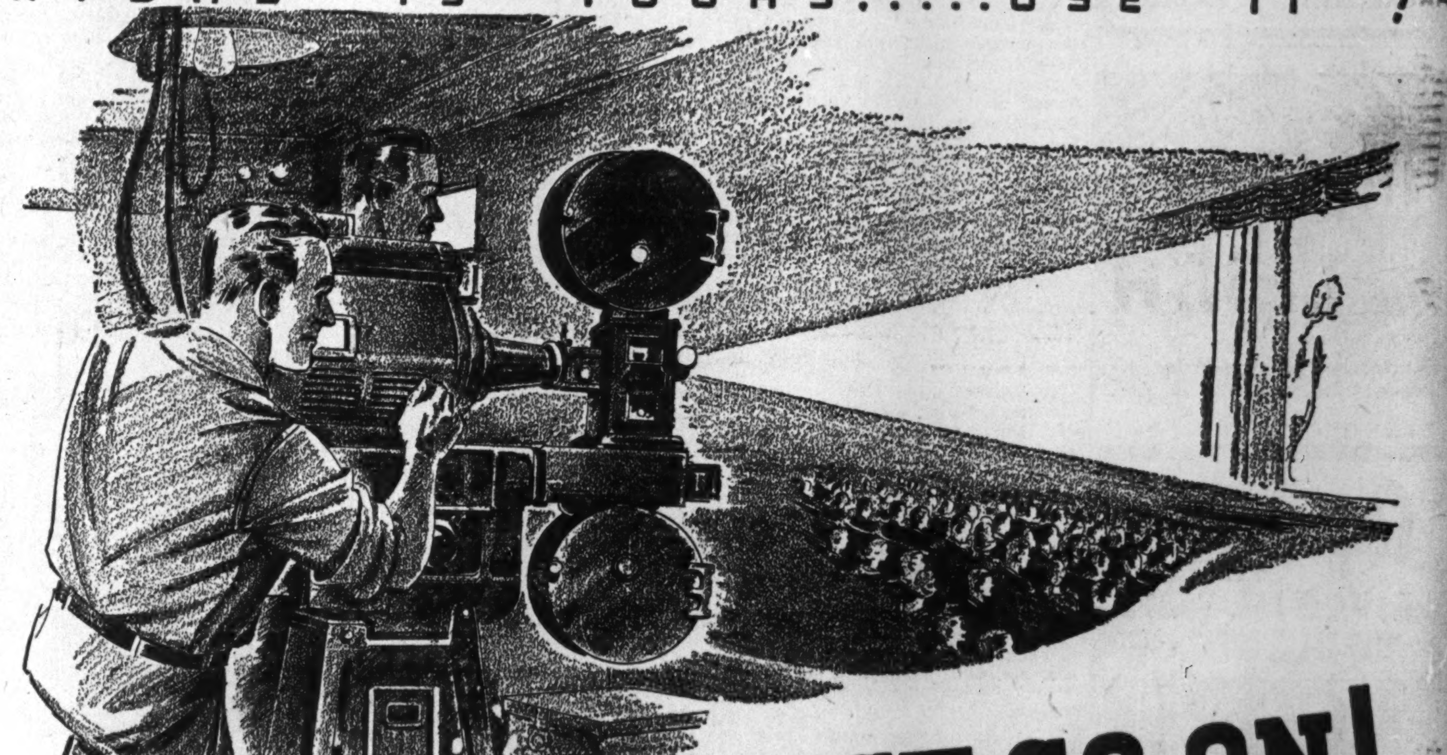

THE SHOW MUST GO ON!

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This same Hydro service that is essential for the "Talkies" is also necessary for night baseball, tennis, lawn bowling and other forms of night entertainment and sport, which electricity now makes it possible to enjoy to a much greater degree.

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The
HYDRO ELECTRIC POWER COMMISSION
of Ontario

376

Construction

Test House Launches New Western Scheme

Winnipeg Seeks Proof Units Can be Built Without Exceeding Estimates Under Low Cost Housing Plan

From Our Own Correspondent

WINNIPEG. — While scores of applications have been made under the low-price easy payment plan of the Winnipeg Housing Co., actual construction so far has been confined to one house, with a view to determining at the outset whether houses can be erected for the capital amount and under the terms and conditions laid down.

Some modifications have been made in the plan as originally outlined. It is not for instance, necessary to build on city-owned lots. There is also some latitude allowed as to the size and cost of residence desired though it is not expected the standard plan and cost will be altered by any material amount.

It is anticipated some construction may be commenced before winter sets in, as once the basements are constructed the balance of work could be carried on during the winter months. However, the full programme will not likely get under way until next spring. Many applicants are persons who have already signed leases but are preparing to become home owners during next year.

Details of Plan

The plan calls for an initial construction programme of 25 houses to cost $3,500 each, of which $300 would cover cost of the site. Some estimates anticipate a possible cost of $4,500 each, but financing arrangements are based on the lower figure. Primary financing plans call for advancing of 60% of the cost by the Sun Life Assurance Co., with one-third assistance by the Dominion; and 40% by the city-formed Winnipeg Housing Co. Mortgage security will cover 80% of house value, under the Dominion Housing Act.

Upon sale of a house, a further 20% would be advanced by Sun Life, leaving only 20% or $700 carried by the company for absorption in whole or part by the purchaser of the house. It is anticipated that some buyers will be able to make a down payment of the whole $700 (including $300 for the lot), while others will prefer to pay the minimum of $400 and secure the value of the lot by a second mortgage. In either case, the company would be left with no portion of the permanent financing, this being shared on an 80-20 basis by the insurance firm and the house buyer.

Monthly Payment $30

Purchasers who take the second alternative and pay down the minimum of $400 will be able with a monthly payment of less than $30, over a 20-year period, it is estimated, to retire the first mortgage covering 80% of the house value, pay off the second mortgage on the land, meet interest at 5% on both mortgages, and cover estimated taxes on the house.

An integral part of the plan is that every house must conform to the specifications as laid down under the Dominion Housing Act. Incorporated into each house are the latest ideas in heating, lighting, both artificial and window space and also in insulation.

Some slight changes have been made in the original plans. There are now three bedrooms on the second floor instead of two bedrooms and a den. Practically half of the basement is being finished as a recreation room. So far as the company itself is concerned everything is completed and the money is now available.

Costs May Vary

While $30 a month is the recognized amortization figure which in 20 years will complete payments, the figure is not arbitrary. Payments may be less to meet the cash available from the prospective home owner or more if a slightly different type of building is wanted. The utmost care, however, is being taken in dealing with the applications in order to reduce to a minimum possibility of loss.

The City of Winnipeg is the common stock holder of the company, the actual cash required having been subscribed by buyers of preference shares. The city is to be issued common shares up to $25,000 against the value of the city-owned lots which may be used on the basis of 60% of the assessed value of the lots. Cash capital is $50,000 in 500 shares of 5% preference stock, 50% payable in cash and 50% on call of the directors. Preference shareholders elect three directors and the common stock two.

Old Scheme

The present plan is entirely unrelated to the Winnipeg Housing Commission which commenced in 1919 making loans for the erection of houses. Under this plan 712 loans were made. Of these 245 are entirely paid off. In arrears for principal, interest and taxes are 240 cases to the extent of $174,448.63.

Loans numbering 219 show payments in excess of requirements to the extent of $107,259 and eight properties are held and unsold under foreclosure. These are carried in the balance sheet at $17,026.59. City of Winnipeg debentures issued for housing purposes and still outstanding total $2.1 millions against which there is a sinking fund of $1.3 million.

The debentures mature 1940 to 1943 and the present amount of the sinking fund with future yearly installments and interest will be sufficient to retire the bonds as they mature. The balance sheet also shows a total of reserve and surplus of $247,000 or about 30%.

Source of Taxes

Under the new scheme, with actual cash subscribed by outside interests, it is anticipated the city will obtain an average of $100 per year from each house constructed, and in addition will be able to utilize some of 9,600 building lots located on sewer and water mains.

While the plan undoubtedly will afford the opportunity to a certain class of people to own their own homes, it is not regarded as likely to obviate either overcrowding or slum conditions. Those benefitted are those now able to pay a reasonable rental and generally speaking having a small cash surplus. They also must be first class risks to fulfill the requirements of the loan company under the Dominion Housing Act.

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St. John Drydock Reports Activity

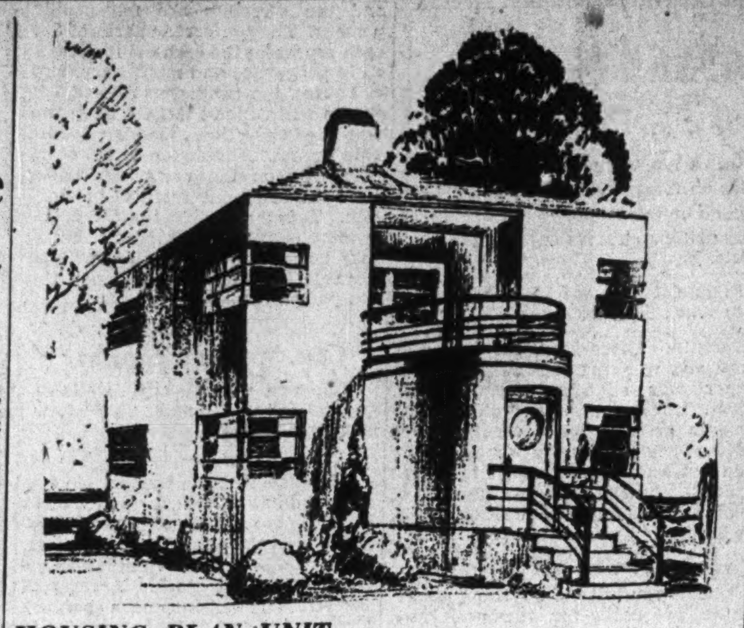
Employment Is Increased as Result of Better Business

From Our Own Correspondent

MONTREAL.—Saint John Drydock and Shipbuilding Co. reports considerable increase in employment, especially in the West Saint John plant where the company is erecting the steel work of the new transit shed at Berth No. 1.

While fabrication of this steel is the largest order on hand at present, another large one is being filled by the company for International Fertilizers Ltd., East Saint John. The fertilizer firm is enlarging its facilities during the fall and winter and it is expected the all-steel addition to the mixing plant will be ready for operation early in the new year.

About 300 men are on the company's payroll at present. The work on the transit shed steel will probably be completed by the end of this month. Meanwhile there are a number of smaller jobs at the drydock plant. The company is repairing the Interprovincial Line steamer Sonia, damaged when she went aground during a recent storm. The ship is expected to be in drydock until about the middle of October.



HOUSING PLAN UNIT

Above is architect's drawing of the standard design for homes to be built under the Dominion Housing Act project of the city-sponsored Winnipeg Housing Co. Some of the houses to be built may vary from the standard as to size and layout, but it is estimated the average cost will be about $3,500, including $300 for the lot.

Seasonal Decline Checked By Industrial Construction

Construction activity in Canada during September was maintained at a level in keeping with the resurgence of operations in this industry, despite shrinkage in volume of new contracts usually associated with onset of autumn. Largely because of letting of the contract for the $6 millions Lake Sulphite mill at Nipigon, Ont., the seasonal decline was not as great as it might have been, and the monthly total of contracts awarded was kept substantially ahead of September, 1936.

As compiled by MacLean Building Reports Ltd., last month's total of building contract awards was $21.7 millions, compared with $24.8 millions for August and $16.5 millions in September a year ago. The figure for the month just past is slightly ahead of that for July, 1937, when the total amounted to $21.5 millions.

Seasonal slackness was not reflected in last month's total of residential building, which at $4.8 millions edged above the totals of $4.7 millions for August and $4.3 millions for September, 1936. Major reductions in awards in various divisions totalled nearly $9 millions but were offset by the jump in industrial construction contributed by the Lake Sulphite contract, leaving the net drop in the grand total at $3 millions.

Drop in Road Building

The largest drop was in road building, from $6.6 millions in August to $1.2 million last month, but the August figure was swollen by approximately $5 millions of awards for road building in Quebec. A reduction in hospital construction from $1.5 million to $342,000 was accounted for by the August award of $1.3 million for a mental hospital near St. Thomas, Ont. Shrinkage of public building construction, from $1.3 million to $815,000, was attributed partly to continued restriction of public works undertakings for relief of unemployment.

Other decreases during the month included those in school building awards, from $1 million to $365,000 (all in Ontario and Quebec) and a drop from $3.3 millions to $2.4 millions in general engineering work.

For the nine-month period ended Sept. 30, the cumulative total of contract awards was $178.4 milllons, reflecting an increase of nearly 40% over the same period in 1936. The estimate of contemplated building during the first three quarters of the year is set at $329 millions, an advance of 56% over the figures for the first nine months of last year. Building contemplated last month was estimated at $24.7 millions, a drop of $9.3 millions in comparison with August.

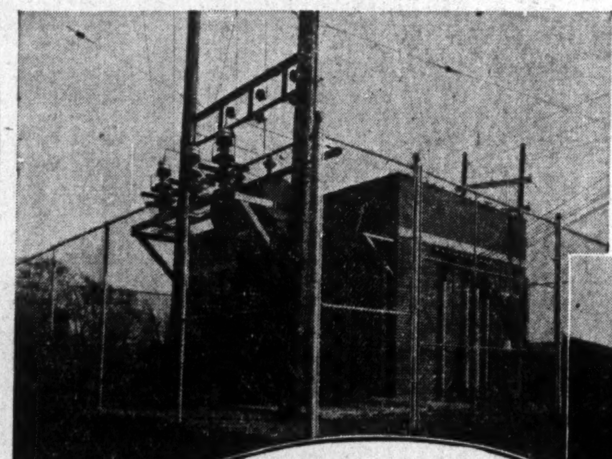
The report shows the price trend index for building materials in August at 96 the same as in June and July. A high level of 98 was reached in April and May.

Construction Contract Awards

	September, 1937		August, 1937		September, 1936	
	No.	$	No.	$	No.	$
Apartments	25	232,400	27	136,800	21	365,600
Residences	1,644	4,570,000	1,593	4,574,000	1,466	3,936,600
Total residential	1,669	4,802,400	1,620	4,710,800	1,487	4,332,300
Churches	17	99,600	27	370,600	14	95,300
Public garages	70	495,400	67	409,100	42	121,800
Hospitals	11	342,600	17	1,562,600	11	212,300
Hotels, clubs	23	175,000	34	225,300	20	193,800
Office buildings	45	339,700	40	261,200	25	744,000
Public bldgs.	50	815,100	64	1,385,900	48	678,700
Schools	41	308,500	77	1,055,300	31	476,800
Stores	151	171,300	143	756,600	141	507,900
Theatres	12	186,700	13	180,800	12	330,000
Warehouses	46	598,900	50	492,800	38	186,800
Total business	466	4,030,800	542	6,700,200	392	3,547,400
Total industrial	93	7,453,300	96	1,941,200	80	1,058,800
Bridges	19	369,800	40	890,300	21	3,748,800
Dams, wharves	17	915,000	9	296,800	21	349,300
Sewers, water mains	14	467,800	18	382,700	19	206,100
Roads, streets	63	1,228,600	107	6,600,800	108	1,988,400
Gen. engineering	35	2,447,300	66	3,308,000	64	1,327,500
Total engineering	148	5,428,500	240	11,478,600	233	7,620,100
Grand total	2,376	21,715,000	2,498	24,830,800	2,192	16,558,500

Total Awards First Nine Months

	No.	$ Value		No.	$ Value
1937	20,844	178,405,900	1935	15,093	132,724,200
1936	15,869	127,671,600	1934	12,822	98,145,100



Left: Hydro-Electric sub-station at Brantford, Ont.

Below: Hydro-Electric sub-station at Hamilton, Ont.

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Below: Unusual installation for the Sun Oil Company, Toronto, Ont. affords protection from both land and water.

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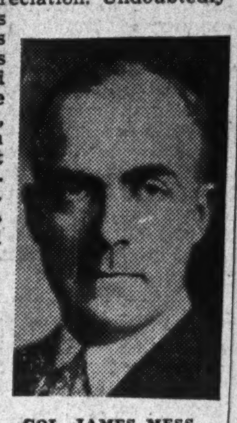
Obsolescence Viewed As Benefit to Trade

Toronto Engineer Believes It Can be Used to Shorten Depression Periods and Help Unemployment Problem

By COL. JAMES MESS

Briefed from an Address Delivered to the Electrical Club in Toronto



COL. JAMES MESS

We are told that particularly after periods of depression, obsolescence outstrips depreciation. Undoubtedly our engineers and scientists develop ideas conceived during the busier years, for which time was not then available. I venture to go further and say that obsolescence for many years past, and for all the future, has and will run ahead of depreciation to such an extent that the former will totally eclipse the latter.

In general, I think we can split obsolescence into two definite parts. We have the fashion dictates and personal tastes of color, shape, finish, flavor, tone and smell, as against technical factors of increased efficiency, general productiveness, higher speeds, lower man power, lighter weight, increased power. These two divisions surely apply to everything from a pickle jar to an Atlantic liner.

Efficiency as Security

How many bankers translate a financial statement into up-to-dateness of product, modernity of machinery, and efficiency of organization? Is it not the usual tendency to look for earnings over a period of years, and reasonable depreciation reserves?

How many security investors look beyond the dividend future based on the dividend past?

And further, how can we have proper appreciation of this menace when we permit our income tax laws virtually to ignore its existence? I say we permit: rulings are available on rates of depreciation under the income war tax act covering various types of equipment (many of our industries do not even take full advantage of these write-offs). The word "obsolescence" is mentioned in the act, but that is about as far as it goes. No attempt has been made to rate obsolescence in various industries, if only from an income tax exemption point of view.

What does this mean in terms of the two great problems: the phenomenon of depressions and the recurrence of unemployment?

Refer to any standard chart and you will see that the periods of depression and boom increase in depth or height as the years pass. At least one explanation of this—and, I am inclined to think, the most important one—is increased volume of trade. This trade increase is not alone the result of growth of population but is due primarily to scientific development and fashion demand.

The advent of the motor car, the radio, air travel, etc.! Are not the products of these developments sold infinitely more on the basis of obsolescence than depreciation, and is it not the untamed beast "obsolescence" under the guise of progress that draws us to the heights of prosperity, in what we call good times, and without warning would drag us down to the very depths in what we used to know as poor times? I contend that increasing periods and depths of depressions are in direct proportion to progress, and therefore, to obsolescence.

If depressions increase in relation to progress and therefore to obsolescence and employment figures show a similar trend, has not obsolescence a direct bearing on unemployment?

Levelling Off

We know a large steel company in the States, which spent between two and three hundred million dollars during the last depression, in rehabilitating its equipment, using reserves of one kind or another to meet this heavy cost, perhaps having in mind not only the cheaper market in which to purchase, but the employment of some of their own help and the passing of work to others.

What might have been the result had all the steel companies, motor companies, canning companies, and paper plants; in fact, industry in general carried out such a programme simultaneously? Would not this mass appreciation of obsolescence have done much to level off and shorten the period of depression? Would prices not have been maintained and unemployment reduced? Would not the cycle of—heavy machinery purchase demanding direct labor—to food purchases of the worker—have continued at a higher level? The steel mill spending millions on new machinery would ultimately reap returns in plate purchased from them for the necessities of life.

Legislation Possible

The day has gone (through obsolescence) when we can consider the commodity market of the world governed by the quantity of wheat consumed. We can only eat three meals a day, and many of us half what we did 20 or 30 years ago. There is no limit, however, to our consumption of manufactured goods provided we have the money to pay for them. We can own three motor cars, four radios, ten suits of clothes, but we can still only eat three meals a day.

I can picture a future more appreciative of the value or menace of obsolescence, more understanding of its relation to our unemployment problem. Is it necessarily more difficult to demand legally that industry build the necessary obsolescence reserves and dispense them in times of depression for rehabilitation purposes, therefore for direct labor, than it is to legislate industry into a reserve fund for unemployment insurance?

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Canada Turns the Heat on Steel

Investors' Hopes Rise as Fires Kindled in Long-Cold Hearths

By GUY S. CUNLIFFE

The heat is on for Canada's steel industry.

In the open hearth furnaces in Ontario and Nova Scotia upon which Canadian industry depends for the bulk of its raw steel, the heat is on almost without a break. Out of the huge crucibles pour glowing streams to provide raw material for an industry whose production value total has more than doubled in the past two years.

In the industry generally and interlinking commerce, the heat is on, too. A continuing demand for steel and still more steel, and for the products made from it, has accelerated activity in virtually all divisions. An intensive scramble is under way to capture as much of the increased business as possible, to keep plants going at capacity and above capacity, to enlarge existing plants, to extend production facilities and widen markets by absorption of other plants.

Present and prospective investors in steel securities have found significant interest in the notable developments in the industry. Investment encouragement is seen in an uptrend of demand, and production, which began about two years ago, has produced a tempo in the industry which is being maintained, and shows no sign of slackening for some months, at least.

Expansion Programmes

Leaders in the Canadian industry are embarked on programmes of expansion which stress diversification of products and provision of products which previously had to be imported altogether. This programme had its beginnings as long ago as 1934, but really hit its stride two years ago. It is still in progress and shows signs of becoming wider in scope.

Among features of the programme are the extensions of the steel furnace and blooming mill facilities of Steel of Canada at Hamilton; invasion of the Ontario market for finished and semi-finished products by Dosco, through acquisition of United Steel's plants at Ojibway; and the continuing expansion-diversification programme of Algoma Steel. Already engaged in production of heavy structural steel shapes, sheet piling, Algoma is preparing to develop the low-grade siderite iron ores of its new Helen Mine, and to embark on a $10 millions expansion plan calling for production of flat steel, sheet steel and thin strip steel for tin plating.

The net effect of the multiplication of facilities and equipment will be to give the major companies a hand in a steadily increasing number of phases of steel production, from the mining of iron ore to manufacture of such small articles as nails, screws and bottle caps.

Steps in Steel Making

Undertaking of all phases of steel making, from mining ore to production of steel units ready for consumer use or final processing by secondary fabricators, is a task that only three Canadian companies, Dosco, Steel of Canada and Algoma, have ever attempted. It is a complex and tremendous saga, and any one of its chief steps requires a capital investment in funds and knowledge that might well daunt the average enterprise.

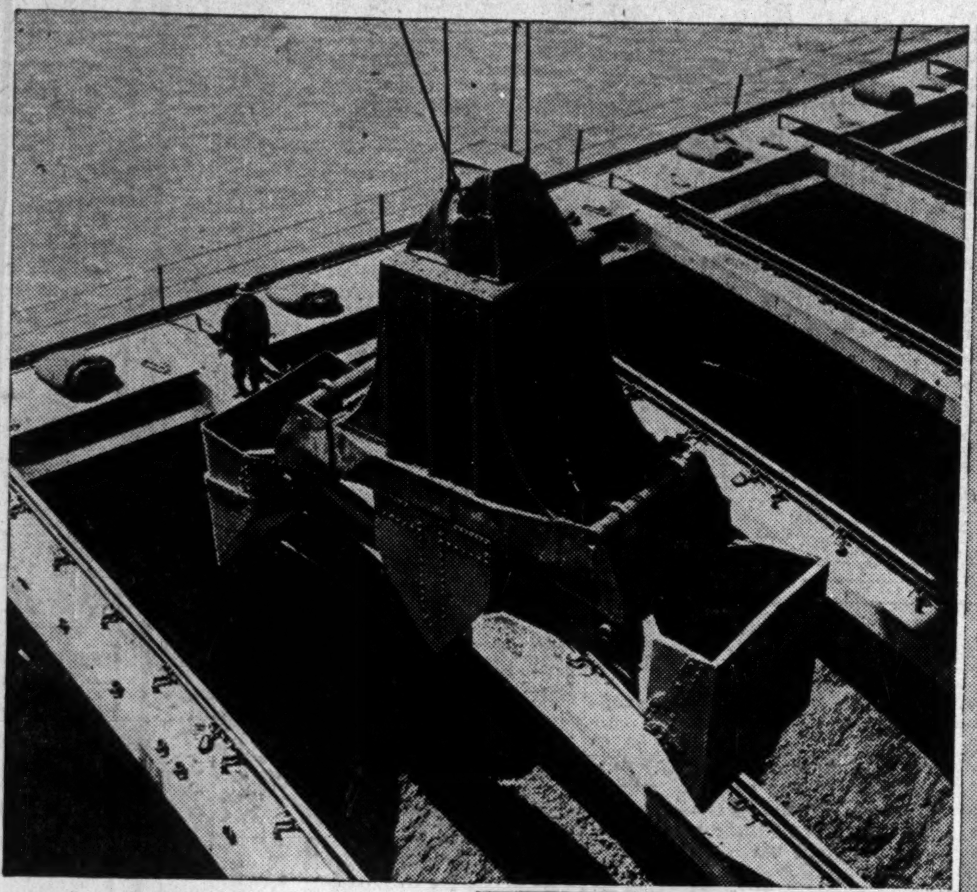
To make steel you must first make iron, and to produce iron three main substances are used. Limestone and coke are put with iron ore from the mines into the mammoth retorts called blast furnaces, and upon the mixture is played tremendous heat, from the "blast" of air preheated to 1,100-1,200 deg. F. and from flaming gases. The limestone and the iron can be mined and used directly, but the coke has to be provided by burning and treating coal in huge ovens.

From these ovens, steel companies not only obtain coke for the blast furnaces, but surplus coke for industrial and domestic purposes; gas for fuel in their own ovens and furnaces and for outside sale; and such by-products as benzol, tar and sulphate of ammonia fertilizer.

After separation of the useless slag, the molten iron may be carried directly to the open hearth furnaces which produce "raw steel" or poured into molds from which come the tapered slabs known as "pigs." These pigs might be used in charging the open hearth furnaces for a heat of steel in the primary steel plant, but more likely they would be shipped to iron foundries for casting and forging into iron products, or to steel casting and rolling companies whose facilities begin with open hearth furnaces. The composition of the iron varies, of course, according to the purpose for which it is to be used.

In addition to the big primary producers of steel, iron for both iron and steel processing is produced by concerns specializing in extraction of iron from ore, such as those in the Port Colborne-Welland area.

In the open hearth furnaces, the iron is refined by the extraction and graduation of carbon content, modified for special uses by addition of chemicals or particular heats, toughened by addition of such elements as nickel. Addition of nickel increases strength and toughness without increasing bulk. From the open hearth, the molten steel may be carried directly to the casting plant of the primary steel producer or poured into molds from which emerges steel in its basic form of ingots—huge blocks of grey black metal.



Iron ore being unloaded at Sault Ste. Marie for the furnaces of Algoma Steel Corp.

It is in the ingot form that steel really starts on its journey through the many stages of processing and fabrication that carry it to serve in every phase of modern civilization. The ingots go to the blooming mills, either of the primary producer or of outside rolling mill companies, to receive their first rolling treatment after being reheated in "soaking pits." Once pressed and squeezed into thick, wide slabs known as blooms, the steel has received its basic processing treatment, and is ready to proceed through the infinite variety of processes and fabrication which turn out semi-finished steel and completed articles.

The blooms may remain in the same mill which performs the blooming process, to be rolled still thinner into steel plates, or rolled strip steel, or prepared for cutting into steel sheets. In a single mill unit, ingots can be reduced to blooms and then into sheets or strips as thin as 3/16 of an inch. Some of the blooms will go to the rail mills or the mills which produce the beam shapes and other heavy units for fabricating into bridge and structural steel. Others will go to the billet mills — billets being similar in nature to blooms but, generally speaking, longer and narrower.

The billets are longer and narrower because they are designed for further reduction into the medium heavy and light forms which find their way into the manufacturing industries and into consumer goods. In the bar mills the billets are rolled and squeezed and cut into the tremendous range of flat, curved, angled and shaped steel forms for the fabricators of machinery, vehicles, tanks and countless other manufactures. This infinite variety of shapes is classed under the broad heading of merchant bars.

From the billet mill or the bar mill, the steel can be passed on to the rod mill, thence to be drawn in the wire mill in cold form into the multiplicity of wire products known to industry. In its various wire forms, steel is ready to be further drawn, shaped and stamped into the lighter types of farm, industrial and commercial equipment, into fencing, into bolts, screws and nails.

Three Integrated Companies

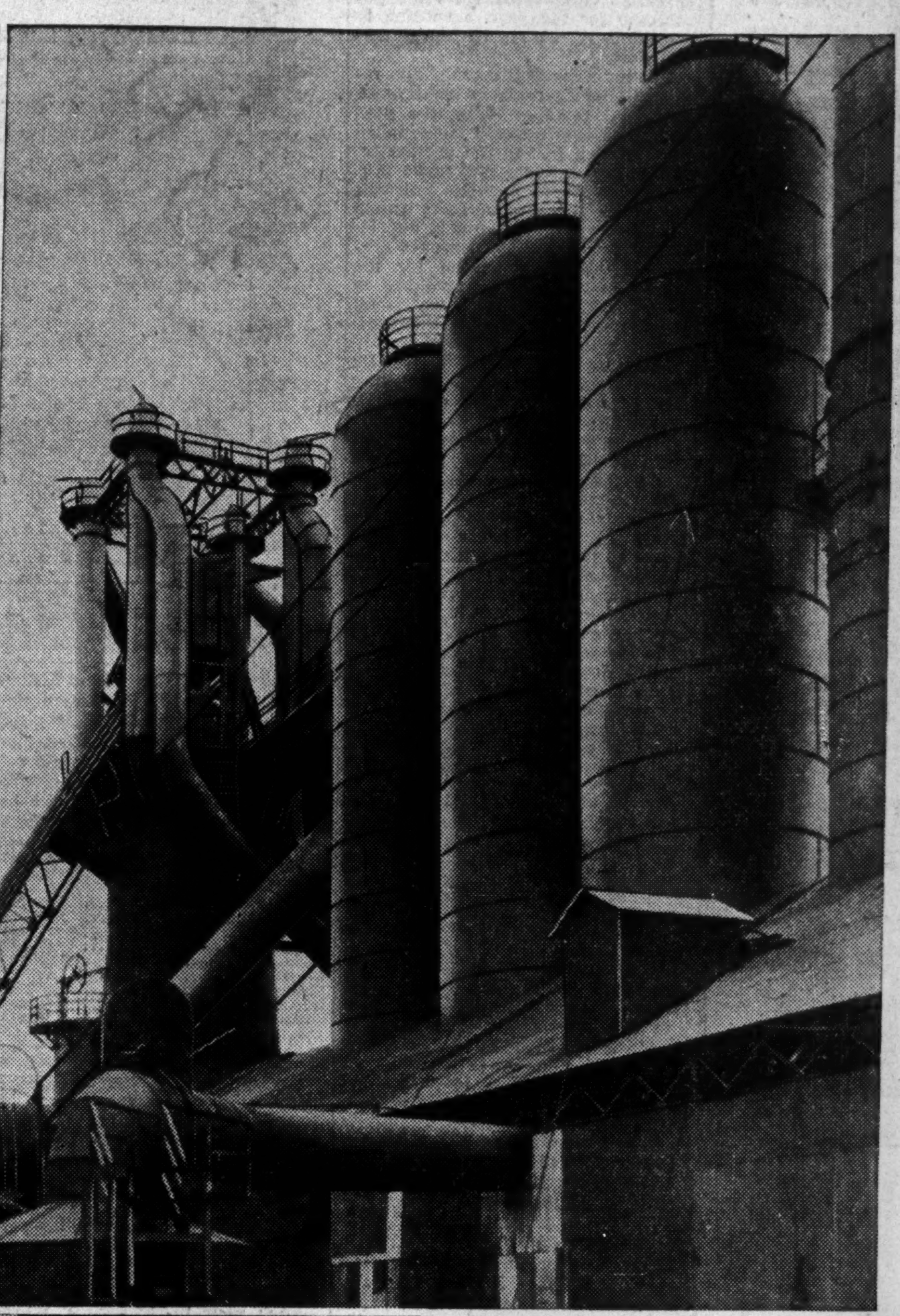
All of the "big three" steel companies begin with the iron ore stage of production. Dosco gets its ore from the immense, high grade hematite deposits at Wabana, Newfoundland, owned by its controlled affiliate, Nova Scotia Steel and Coal. Controlled limestone quarries are near the Wabana ore mines, and coal for Dosco blast furnace coke is drawn from the vast Cape Breton mines of its subsidiary, Dominion Coal Co.

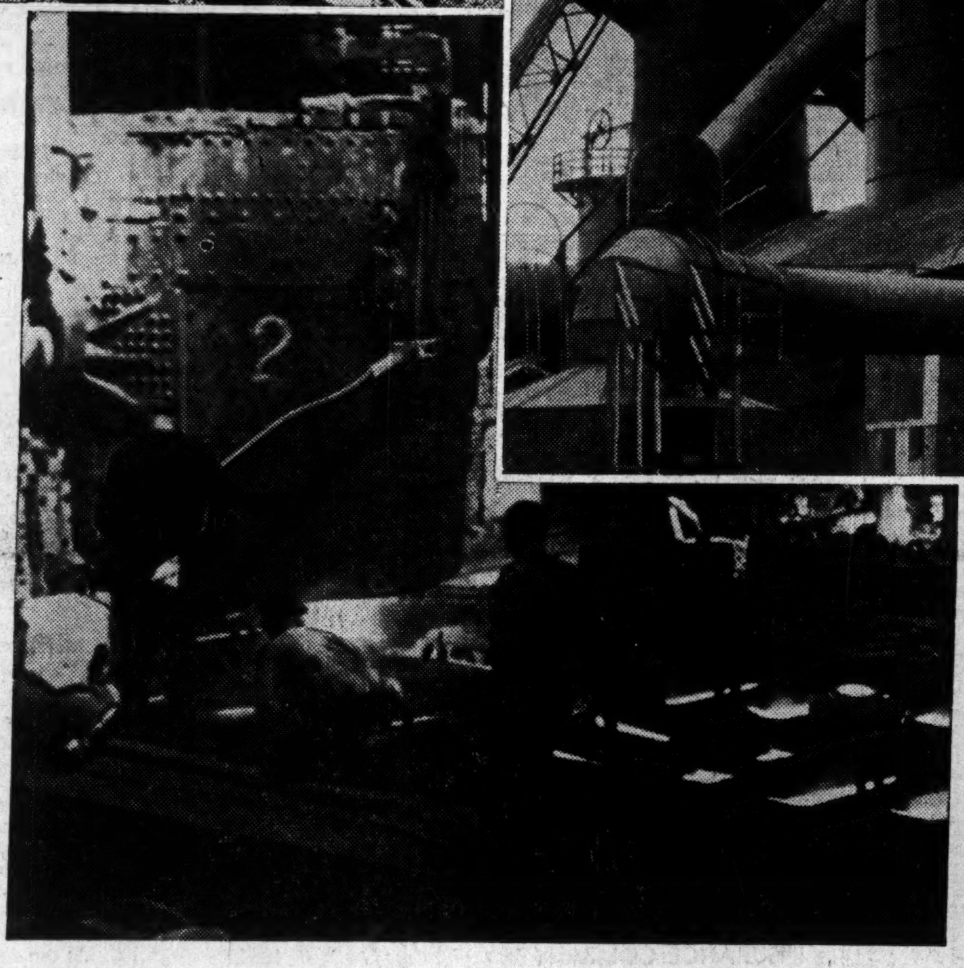
Steel of Canada's ore comes from its own mines in Northern Michigan and from Minnesota deposits, coal from the 1,600 acres of Pennsylvania coal lands controlled by the company. Pending development of Algoma's own siderite deposits near the Soo, ore from which must be roasted before blasting, this company is drawing ore from Minnesota and Michigan. In view of fears that the high grade mines of the Michigan-Minnesota ore deposits may be played out within 10 or 20 years, tapping of its own deposits, beginning next year with the aid of an Ontario Government bounty, will put Algoma in an exceptionally advantageous position in regard to ore supply.

Plants on Water

It is noteworthy that the main plants of all the big primary producers are located on waterfront sites. This is necessary not only to permit economic shipment of ore from reasonably close mines, but also to provide the staggering quantities of running water required for cooling of the furnaces and steel in process.

The three major concerns all carry steel from its ore stage through the open hearth, blooming, billeting and bar stages described above. Algoma differs from the other two in that it does not carry on into the rod, wire drawing, fence making, rail and screw manufacturing stages in which Steel of Canada and Dosco engage through subsidiaries or affiliates.





In blast furnaces like the one above, Dominion Steel and Coal Corp. wrests iron from Newfoundland ore. Below — Pig iron refined into steel in the open hearth furnaces of Dominion Foundries and Steel Ltd., at Hamilton, is poured into ingot form for rolling.

Years ago, Algoma concentrated almost entirely on production of iron, steel ingots and steel blooms, for its own use and outside sale; and specialized in production of rails for Canada's transportation companies. Algoma still shares with Dosco a substantial proportion of Canadian rail business, but the still continuing programme of diversification which began nearly 20 years ago has carried it into the production of rail fastenings, light rails, merchant bars, auto crankshafts, sheet steel piling, heavy structural and bridge shapes, springs steels, heavy "Z" bars for railway car skeletons.

The company is now planning to produce flat steel, and to produce and plate the thin, tin plated sheets at present made in Canada only by Dominion Foundries and Steel.

Special Functions

Both Steel of Canada and Dosco carry steel production to the stages of wire, fencing and nails, though Steel of Canada claims a wider variety of products than any other Canadian concern. The distinction between the two is broadly this: Steel of Canada functions chiefly as a producer of sheet steel and merchant bar units for Canadian industry, and of wire products for consumer channels. Dosco performs the same functions to a certain extent, but is distinguished largely for its production of heavy steel, such as rails, car axles, wheels and plates, completed cars and, above all, for its export business in iron ore, pig iron and "raw steel."

This year, it is estimated that iron ore output at the Wabana mines will total 1.7 million tons, of which 800,000 tons will go to Germany, 250,000 to Great Britain and the rest to Dosco's own furnaces.

Dosco's purchase of the plants at Ojibway is believed to have been prompted mainly by a desire to reach out for a share of the rich Ontario market in wire and wire products, and to provide an outlet for steel produced in Nova Scotia plants. The Ojibway plants include a tinplate mill, but present equipment is only for the plating of sheets of a type which under existing conditions will have to be imported.

To date, Dominion Foundries and Steel plant at Hamilton, essentially a flat steel mill, is the only concern to engage in the cold rolling of the high grade strip and sheets needed for tin plating. The firm has completed installations begun two years ago which now enable it to engage in all phases of tin plate production, from conversion of pig iron into steel right down to the finished tin plated sheets.

The bulk of steel sheets for Canada's tin plating mills and makers of cans, bottle tops, etc., still has to be imported, but Dominion Foundries anticipates an increasing share of the business. A large percentage of users of cold rolled strips and sheets and of tin plate are within 40 miles of Hamilton.

In addition to supplying the needs of their own processing and manufacturing operations, the primary steel producers (including Dominion Foundries) supply raw and semi-finished material in virtually all its stages to the hundreds of secondary plants, fabricators and manufacturers constituting the iron and steel industry as a whole. Structural shapes, plates, merchant bar supports and fastenings, go to final fabricators and erectors of structural and bridge steel, such as Disher Steel Construction Co., Sarnia Bridge, Dominion Bridge Co., Hamilton Bridge Co., and MacKinnon Steel Corp.

Industrial Materials

Plates, merchant bars, sheets and castings go to producers of machinery such as United Steel and the subsidiaries of Dominion Bridge. Hamilton Bridge also takes steel for tanks, poles and pipes. Merchant bars, plates and castings are absorbed by the farm implement and equipment industries, such as Massey-Harris, Cockshutt Plow and Beatty Bros. Heavier steel, such as large plates and sheets, castings and bars, go to the car and locomotive builders, such as National Steel Car Corp., Canadian Car and Foundry and Canadian Locomotive Co.

From the primary producers come also the lighter sheet, strip and wire materials for such industries as General Steel Wares, producers of a wide variety of consumer containers and domestic equipment; International Metal Industries Ltd., makers of pumps, tanks, heaters and refrigerators; B. Greening Wire, makers of cable and screens; and Frost Steel and Wire, producers of wire, fencing, and such specialties as playground equipment.

First processing of many materials for manufacture of automobiles is done in primary steel plants, which send semi-finished units direct to the automobile companies or to such producers of parts as Hayes Steel Products Ltd., makers of clutches, axles, shafts and hardware; or Ontario Steel Products, producers of springs, axles and bumpers.

Dividend Prospects

From an investment point of view, the chief problem of the industry is in keeping the increase in gross business volume sufficiently ahead of the accompanying advance in costs to produce satisfactory earnings. There is also the necessity of conserving earnings, to provide funds for expansion and modernization of facilities.

In spite of these offsetting factors, the outlook for the majority of companies is encouraging. Prospects of larger dividends, resumed dividends, and wiping out of arrears are generally discussed, especially in regard to secondary industries and fabricators of consumer goods. In regard to the primary steel producers and the heavier industries, the large capital investment required for plants and equipment makes earnings a more serious problem, but in this field also anticipations are hopeful.

As to the "big three" primary producers, anticipation has been current that Dominion Steel and Coal Corp. will be able with this year's operations to pay the regular rate of 6¼% on its cumulative income bonds, and possibly wipe out the 4% arrears as well. Algoma Steel Corp. looks for better earnings than last year, when rising costs and wage levels forced its earnings down to 20 cents a share from the 1935 level of $1.05. Steel of Canada looks for earnings sufficient to pay the balance due ordinary stockholders as the result of the Privy Council ruling six years ago, unless the pressure for expansion of facilities requires earnings for capital purposes.

Figures Support Hopes

Output of primary steel in the first seven months totalled 837,000 tons, an advance of 30% over 1936 and of 75% in comparison with 1935. Volume of trade in iron, steel and their products has advanced substantially, imports of $58.4 millions during the three months ended June 30 reflecting an increase of 33% and exports of $16 millions registering an advance over the same period last year of approximately 25%.

Should these increased percentages be maintained for the year as a whole, total exports for 1937 would be $65 millions, and imports would be approximately $180 millions. This is based on trade totals for last year, which are given below together with 1935 figures to show the two-year advance in business.

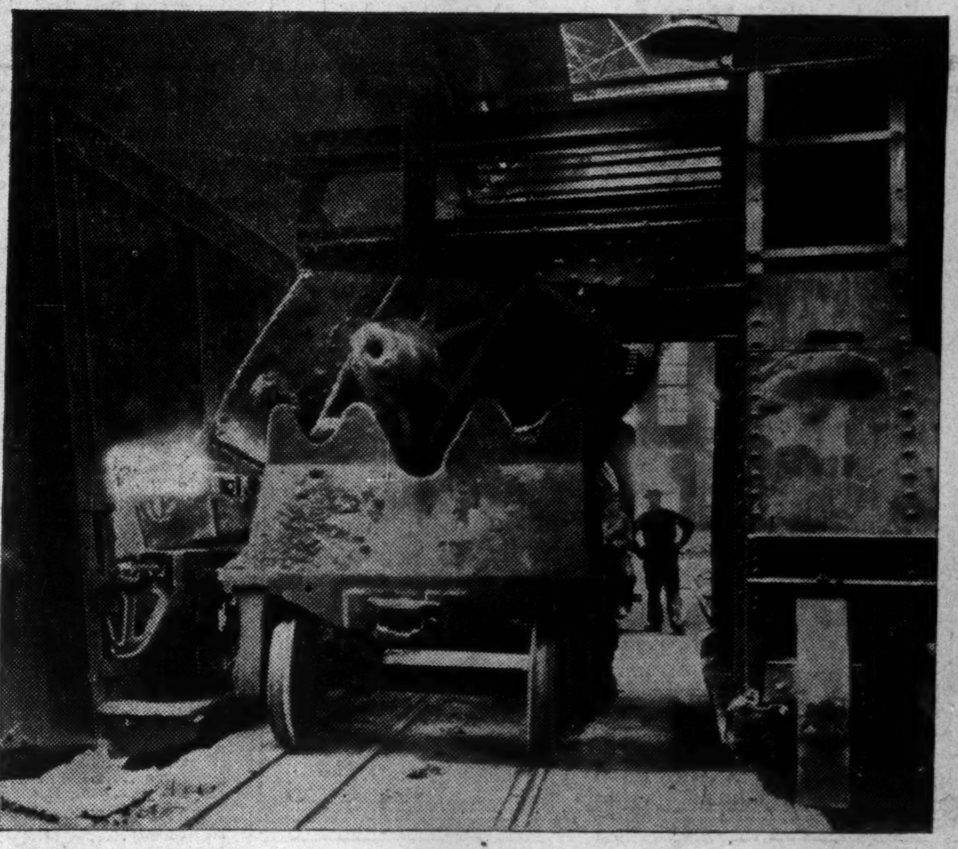
Imports and Exports
Iron, Steel and Their Products

	1936 ($ millions)	1935 ($ millions)
Total imports	135.3	112.1
From Great Britain	21.6	20.4
From United States	108.4	86.4
Total exports	52.3	50
To Great Britain	12.7	11.2
To United States	6	4.7
Total re-exports	1.8	2.5
To United States	1.5	2.2

Demand Taxes Output

Similarly, should the increase in domestic primary output apply to the production total of the iron and steel industry as a whole, the 1937 figure would amount to nearly $590 millions. Last year's production value total of $441 millions was 13% ahead of 1936 and 43% above the 1935 level, though still 40% below 1929 and 22% less than in 1930.

In some divisions of the industry, demand and production has jumped ahead much more substantially than the average for the industry would indicate.



Molten iron being poured into an open hearth furnace to make steel at one of Dosco's Sydney plants.

That the production volume of the primary steel producers and related heavier industries did not advance as substantially as that of the producers of finished units, was in part due to inability of the first group to meet the accelerated demand without expanded and diversified production facilities. Contributing also was the marked advance in imports, particularly of semi-finished steel. In the $58 millions total of imports for the second three months of this year, the largest single item was $13 millions for rolling mill products, including tin coated steel sheets, thin sheets and steel for pipe products.

The bulk of these imports came from the United States, as throughout 1936.

Rearmament Programme

How long the suspension of large volume imports from England and Belgium will continue, steel men are loath to guess. But they see no immediate prospect of a reversal of the situation. The rearmament programme in Great Britain, the war in Spain, the military preparations of other nations, are combining with increased demands for steel for general industrial purposes to absorb the lion's share of the output across the ocean.

Intensifying the pressure on Canadian producers for increased output was a fear which spread last spring and early summer that strike disturbances in the United States and developments in Europe would create a shortage of basic and semi-finished steel. This has failed to materialize to the extent anticipated, but the stocking up process has failed to slow down the pace of business flowing to the steel industry.

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Decline Halted In the Writing Of Fire Risks

Slight Increase Likely to be Shown in Premium Volume

The downward trend of fire insurance underwriting of the post-depression period has been stemmed and unless there is pronounced recession in the ensuing three months premium volume will show a slight increase for the year, according to a preliminary survey by The Financial Post.

The majority of fire companies reported slight gains in premium volume, but doubted if by the year end, the record would show much more than a halt in the decline recorded almost every year since 1930.

Hand-to-mouth business practices which so many companies found practicable and profitable in depression are still cited by insurance men as a fundamental reason for the failure of fire insurance volume to come back. With relatively small inventories there is much less business for the underwriter.

Commercial premises have also been considerably improved, cutting fire rates already driven downward by much competition.

Mining company fire insurance at rates sometimes four times the usual urban charge are helping to maintain volume in some parts of Canada and returns from these policies are important in giving a profitable year-end financial picture.

Residential underwriting remains almost constant, insurance men believe, adding that new house building has been just about offset by tear-downs and other factors.

With low-cost insurance still attracting many buyers and a fairly constant and rather high expense ratio, insurance fire departments fear that perhaps the "good old pre-depression days" have not returned yet.

Urban Loss In Fire Low

Levis, Que., Has Best Showing in Per Capita Figures for Year

To Levis, Que., goes the distinction of being the most "fire-free" of Canada's larger cities in 1936. Per capita loss figures for the year was 16 cents, higher than the nine cent mark established by Galt in 1935, but still a remarkably low record.

Next in line were Trail, B.C., with 18 cents and Kitchener, Ont., with 19 cents. Trail has shown the most consistently low loss total of any Canadian municipality in its population group over the last few years.

Generally speaking, the per capita figures are low, reflecting the unusually favorable fire loss experience in the Dominion as a whole. Comparative figures follow:

Fire Loss in Municipalities Where Population Exceeds 10,000

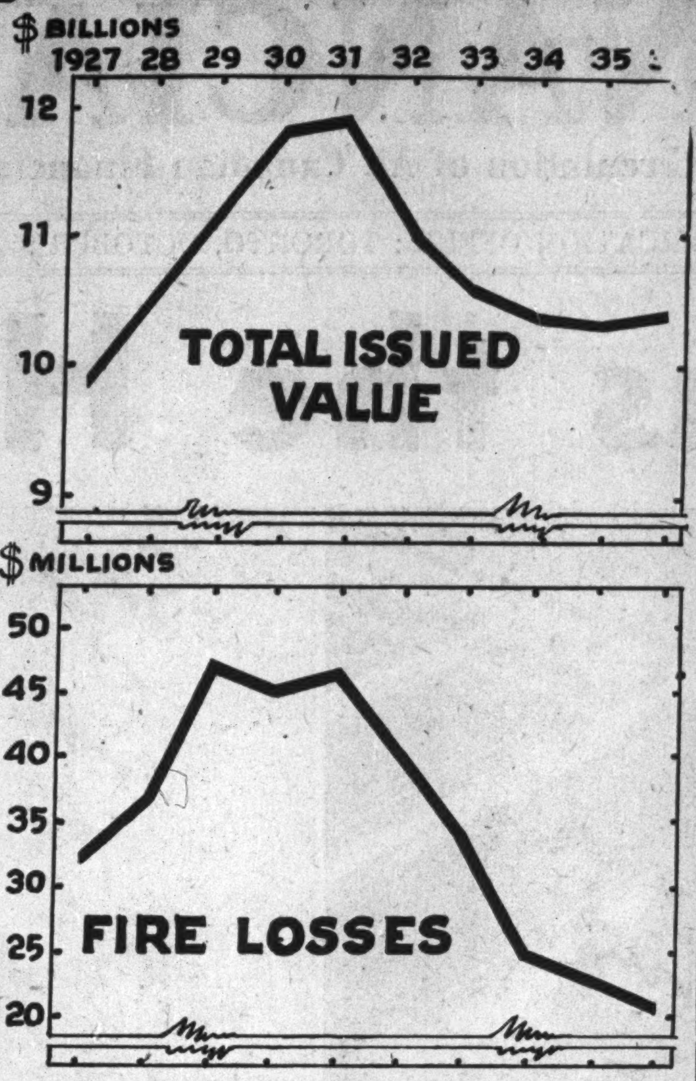
	Property loss 1936	Loss per capita 1936	Loss per capita 1935
Ontario—			
Belleville	33,655	2.31	1.82
Brantford	27,884	0.89	1.27
Chatham	21,238	1.29	1.05
Cornwall	20,145	1.59	1.88
Fort William	81,241	3.25	2.61
Galt	20,671	1.48	0.09
Guelph	21,233	1.00	1.00
Hamilton	124,485	0.81	2.47
Kingston	49,980	2.08	0.43
Kirkland Lake	32,121	1.74	0.95
Kitchener	6,308	0.19	2.55
London	42,501	0.57	0.99
Niagara Falls	10,011	0.56	1.15
North Bay	68,767	4.30	2.67
Oshawa	6,692	0.27	0.28
Ottawa	255,558	1.87	2.32
Owen Sound	20,630	1.58	1.05
Pembroke	12,416	1.20	1.06
Peterboro	48,493	1.23	0.27
Port Arthur	210,899	10.34	2.30
St. Catharines	360,057	13.55	0.18
St. Thomas	85,000	5.31	0.52
Sarnia	11,164	0.62	0.68
Sault Ste. Marie	28,142	1.18	3.94
Stratford	44,967	2.55	3.22
Sudbury	25,280	1.03	0.88
Timmins	143,821	6.54	0.86
Toronto	845,428	1.32	1.23
Welland	16,327	1.55	0.48
Windsor	88,454	0.87	1.62
Woodstock	6,587	0.60	0.26
Quebec—			
Cap de la Madeleine	7,552	0.76	0.62
Chicoutimi	24,293	1.87	2.11
Granby	9,735	0.81	1.23
Hull	20,718	0.69	1.81
Joliette	41,383	3.45	19.72
Jonquière	7,198	0.63	1.47
Lachine	85,200	4.45	0.74
Lévis	1,875	0.16	1.01
Montreal	1,774,175	1.44	1.69
Outremont	99,785	3.44	4.51
Quebec	388,289	2.64	2.12
St. Hyacinthe	20,000	1.18	0.52
St. Jean	17,685	1.47	0.67
St. Jérôme	8,408	0.84	0.99
Shawinigan Falls	52,820	3.11	0.51
Sherbrooke	50,047	1.62	1.66
Sorel	66,072	6.01	1.16
Thetford Mines	7,152	0.60	0.25
Three Rivers	54,803	1.37	1.97
Valleyfield	17,883	1.38	1.74
Verdun	44,100	0.70	0.35
Westmount	25,329	0.96	2.82
Manitoba—			
Brandon	19,860	1.21	0.94
St. Boniface	7,525	0.46	4.87
Winnipeg	184,240	0.82	0.98
Saskatchewan—			
Moose Jaw	9,927	0.43	1.05
Prince Albert	35,348	3.20	4.84
Regina	33,619	0.61	0.22
Saskatoon	54,687	1.31	1.62
Alberta—			
Calgary	106,152	1.28	0.43
Edmonton	142,751	1.67	1.49
Lethbridge	10,233	0.73	1.39
Medicine Hat	9,057	0.91	1.44
British Columbia—			
New Westminster	13,415	0.67	0.95
North Vancouver	15,090	1.51	0.18
Trail	2,143	0.18	0.07
Vancouver	500,929	2.03	1.23
Victoria	20,582	0.53	2.52
Nova Scotia—			
Glace Bay	36,450	1.66	1.44
Halifax	115,976	1.78	2.17
Sydney	157,242	6.29	2.45
Truro	25,949	2.59	3.11
New Brunswick—			
Moncton	37,884	1.83	3.63
Saint John	137,784	2.76	2.44
Prince Edward Island—			
Charlottetown	12,623	0.97	0.59

One Life a Day Taken by Fire

At the present "Burning Rate," approximately one human life is sacrificed and $110,000 worth of property destroyed every day in the year in Canada.

Careless housekeeping in permitting accumulation of inflammable litter and rubbish was responsible for 26,000 fires during the last two years.

Electricity is listed among the first four fire hazards. Over the last three years Canadians have suffered more than 10,000 losses from this source.



Canada Cuts Fire Loss

For the first time in recent history, Canada's per capita fire loss dipped below the $2 mark in 1936. Last year's figure of $1.95 for each Canadian, while still too high, presents a favorable contrast to the $4.85 chalked up in 1929. Since that year, there has been steady improvement which may be traced only in part to lower property values.

Estimated insured value of property reached a peak of $11,890 millions in 1931, and declined steadily but gradually to $10,415 millions in 1935. Last year, there was an increase of some $15 millions.

Provincial Fire Loss

	Total 1936 $	Total 1935 $	Total 1934 $	Per Capita 1936 $	Per Capita 1935 $	Per Capita 1934 $
Alberta	1,098,889	1,087,614	1,177,370	1.43	1.39	1.60
British Columbia	1,689,718	1,941,702	1,988,501	2.25	2.64	2.86
Manitoba	846,283	1,040,135	1,195,160	1.19	1.40	1.70
New Brunswick	885,644	1,058,704	823,523	2.04	2.46	2.02
Nova Scotia	1,246,767	1,155,759	1,219,215	2.32	2.19	2.38
Ontario	7,867,463	8,164,350	10,040,144	2.13	2.27	2.92
Prince Edward Island	164,141	167,303	191,103	1.78	1.88	2.17
Quebec	6,645,210	7,404,965	7,567,975	2.15	2.41	2.65
Saskatchewan	1,080,925	1,188,694	1,233,335	1.16	1.22	1.33
Floater	24,424	12,295	1,514	...	...	...
Total	21,549,484	23,221,521	25,437,840	1.95	2.12	2.44

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FIRE - LIFE - CASUALTY
AUTOMOBILE - INLAND MARINE

Smokers Start 25% of Fires

Four Out of Every Five Blazes Caused by Carelessness

Four of every five fires in Canada can be traced to carelessness. More than one in four can be traced to carelessness of smokers. Thoughtless smokers last year achieved the unenviable distinction of causing the greatest property loss from any single hazard. In rolling up the impressive loss total of almost $2.7 millions, they outstripped such leading "waste promoters" as stoves and furnace fires, defective chimneys, electrical wiring, and so on. They are the bane of insurance companies. Most of them involve relatively small individual loss, entailing unusually high overhead and expense charges.

Also listed among chief causes of loss are fires of incendiary origin. In 1936 such blazes resulted in damage of well over $2.4 millions. Youngsters playing with matches still account for the sizeable damage of $139,000, and in somewhat the same category may be placed fireworks which, while relatively the loss is small, account for a surprisingly large amount.

Loss figures for 1936 according to cause of fire are as follows:

Causes of Fire Loss

	Number	Property Loss $
Smokers	11,797	2,772,934
Stoves, furnaces, boilers	4,738	2,767,208
Defective chimneys	4,562	2,363,079
Electrical wiring	3,901	1,285,763
Sparks from chimneys	2,119	937,671
Hot ashes and coals	1,422	363,474
Petroleum, other volatiles	923	592,116
Sparks from open fires	907	103,259
Portable lamps	699	44,486
Miscellaneous	596	934,102
Adjacent building fires	547	743,520
Children with matches	546	139,028
Lightning	342	167,132
Incendiary (supposed)	214	1,248,053
Fireworks	206	31,247
Hot grease, oil	183	64,002
Spontaneous	116	201,429
Explosions (various)	97	85,119
Gas	84	62,773
Friction	29	12,007
Steam & hot water pipes	21	9,774
Hot & molten metal	15	765
Motion picture film	9	1,818
Unknown causes	8,571	6,618,725
Total	42,644	21,549,484

Fire Hazards

Litter and Rubbish

Careless housekeeping in permitting the accumulation of inflammable litter and rubbish was responsible for 26,000 fires during the last three years in Canada.

Electrical Hazards

Electricity as a fire hazard is listed among the first four causes. During the last three years the number of losses in Canada from this cause totalled over 10,000.

Defective Stove Menace

The second greatest fire loss in Canada last year, over $2,700,000 was caused by 4,700 fires traced to defective or carelessly handled stoves, furnaces, boilers and pipes.

Maritime 'Phone Traffic Highest Since Peak of '30

From Our Own Correspondent

MONTREAL.—Toll traffic handled by Maritime Telegraph and Telephone Co. during August totalled 150,488 calls, or 7,277 calls more than in the preceding month. The number reported was 4,167 less than that completed during the record month of August, 1930. Compared with August, 1936, there was an increase of 13,088 calls.

At the end of last August the company had in operation 40,618 stations, an increase of 75 during the month. The Island Telephone Co., a subsidiary, reported 4,256 stations, or a gain of four over the number reported in July.

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Fire Prevention Week — October 3rd to 9th

Modern Era Of Ventilation Brings Risks

Fire Marshal Recommends Steps to Eliminate Theatre Dangers

Insurance men are not, so far, sharing the jubilation of the construction trades over the age of air-conditioning.

Taking what is believed to be the first official recognition of this newest fire risk, the office of the Ontario Fire Marshal has just submitted to the Government a brief outlining suggested regulations governing air-conditioning installations in theatres.

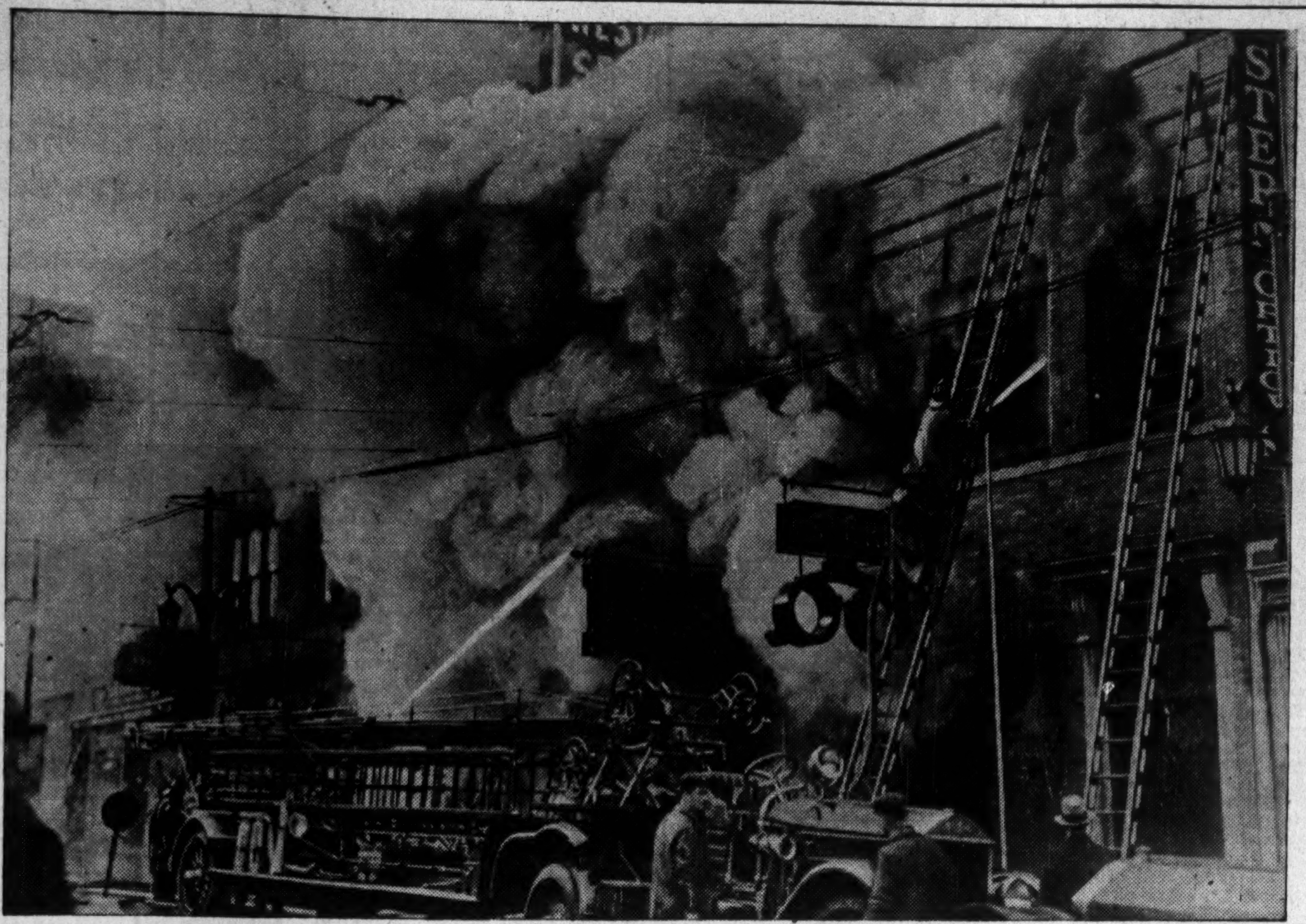
Honey-combing houses, theatres and other buildings with air ducts raises many new problems from the fire risk point of view. The ducts provide a perfect channel for fire and spread it throughout the whole building in a few seconds.

Air-conditioning is still very young and its engineers may conquer its major hazards before it goes much farther, but insurance underwriters state that unless proper insulation of the ducts and other safety measures accompany developments very shortly, there is the very real possibility of air-conditioned buildings being asked for higher fire insurance rates.

Tackling the theatre problem first, Chief Engineer J. E. Ritchie of the Ontario Fire Marshal's office has drawn up detailed requirements for air duct construction, insulation, location and other factors. In the ducts he would require automatic fire dampers, and automatic fan cut-offs which would, at the first trace of fire, halt the machinery forcing ventilation.

Danger of panic is one major theatre hazard and under forced ventilation this hazard is greatly increased because smoke in any part of the building would immediately be driven into the main auditorium.

The air-conditioning fire hazard has been moderated by the fact that in most cases it has been introduced in new buildings where fire-proof and fire-resisting materials predominate.



"— Inadequate regulation of building construction will continue to exact its penalty throughout the life of a municipality."

Despite a substantial drop in Canadian fire losses during the past few years, millions of dollars are still wasted every year through fire.

Canada's fire prevention week, Oct. 3 to 9, is the high mark of a national campaign to curb fire losses through carelessness. Do your part!

Losses Too High In House Fires

Need for uniform building regulations to make Canadian dwellings more fire resistant is shown by a review of fire losses in the last 10 years.

In that time there have been about 350,000 fires in dwellings throughout the Dominion, with a loss of $136 millions. There have been 786 men, 1,327 women and 2,926 children killed. In other words, fire has wiped out a community of more than 5,000 people.

In all cities and towns in Canada there are 444,000 wooden buildings, 356,155 brick veneer, 56,143 stucco, 17,806 stone and 9,594 of other material. More than 50% of all construction in the larger cities and towns in Canada is of wood. In villages, by far the greatest proportion of construction is frame.

Fire Proofing Cities

By W. J. SCOTT

Fire Marshal of Ontario

Briefed From an Address Delivered to The Urban Section of The Ontario Municipal Association

Lax building regulations and haphazard growth will in the long run prove to be a real, though possibly a disguised, burden to the taxpayer.

Inadequate regulation of building construction, both in detail and in general, will continue to exact its penalty throughout the life of a municipality, in the form of increased costs of fire protection, increased fire losses, increased fire insurance rates, increased cost of public utility services, and consequent increased failure to attract industry and capital for investment. These consequences will continue to add, year after year, to the original cost of a growth and a type of construction that was countenanced because it was thought to be cheap.

Regulated construction of buildings and planned development on the other hand tend toward uniformity and a logical segregation of the various classifications that comprise the physical assets of a municipality. Thus are minimized the injustices that are suffered by the owners of well-constructed buildings, who are called upon to bear more than their normal burden in insurance rates and in taxes for fire protection because of exposures to other buildings of poor and hazardous construction. In other words they make possible a more equitable apportionment of the costs of maintenance and civic government. In many municipalities the maximum fire protection is required for the least desirable properties, but such properties do not contribute in taxes in proportions to their needs for protection.

Planning Against Fire

A building code should not be thought of merely as a set of designs and specifications to ensure strength and stability under load. These are, of course, essential, but requirements for prevention of fire, localization of fire, resistance to disintegration and collapse from fire, protection against exposure fire hazards, and occupancy are of equal importance and should be considered in the design of a building and in the selection of materials.

In so far as they are related to fire prevention and fire protection at least, building regulations should include, not only specifications for building and placing of individual structures, but should deal with the problem of building and developing a town or city as a whole. They should provide for a proper grouping of buildings according to their size and occupancy and a proper segregation or spacing of buildings according to their hazards and uses, giving due regard to their accessibility to the fire fighting facilities and equipment.

At present, at least one Ontario municipality has a problem on its hands due to lack of forethought. Six large apartment houses are built around a courtyard and are accessible from only one street, there being a ravine at the rear and no street within a long distance on two other sides. The entrance from the street to the courtyard will not permit the fire department trucks to be taken in so that they might have a reasonable chance of fighting a fire or making rescues if necessary.

Proper Zoning

Seldom is the relation between zoning and fire protection fully appreciated. The first requirement is an estimate of the amount of water that may be needed in any part of a city to provide adequate fire protection, and such an estimate must be based on practical considerations. If an area is not of similar construction and occupancy, adequate protection has to be provided for the greatest fire hazard, at the expense of economy in so far as the entire area is concerned.

In residential areas where no congestion exists and where buildings are not high, two fire streams, each of about 250 gallons per minute are usually sufficient. Where the buildings are closer together so that fire might readily spread, provision should be made for two additional streams. Where buildings are of greater dimensions, such as hotels and apartment houses, and in mercantile and industrial areas, the supply of water must be increased according to the increased needs. In congested and high value areas of larger cities, as much as 12,000 gallons per minute should be available, with a reserve supply in addition to take care of a second fire. It is obvious that the distribution and segregation of construction has a direct controlling influence on the design and required capacity of a waterworks system, and consequently on the cost of installation and maintenance.

Efficient Planning Pays in Lower Insurance Costs

Fire Prevention is a term that covers a wide field and may be roughly subdivided under three headings:

1. Prevention of the start of a fire.
2. Prevention of the spread of fire within a building or premises.
3. Prevention of the spread of fire from one building to another.

Incipient fires are usually due to some inherent characteristic or fault of the contents or occupancies of the buildings in which they originate or of some service installed. For these reasons municipal building regulations should exercise some control over the installation of appliances used to heat the premises or in any industrial process and over the storage and use of materials that are particularly susceptible to ignition. Although in Ontario electrical installations and appliances are subject to approval by the Hydro-Electric Power Commission, constant supervision is still necessary to guard against hazards that are introduced because of improper maintenance and unauthorized tampering with electric circuits.

The spread of fire within a building depends upon the contents as well as upon the building itself. It therefore follows that the design and construction should be consistent with the occupancy. The first and most important principle consists of localizing a fire by preventing its spread either horizontally or vertically through unprotected openings or through flimsy construction. Incombustible building materials do not ensure safety from rapid spread of fire, unless the building is divided into fire sections in such a manner that fire will not spread from one section to another until the fire department is able to bring it under control.

Fire-Stopped Buildings

When put to the test, a building of combustible materials, well-constructed and fire-stopped, is likely to prove more satisfactory under many conditions than a building of incombustible materials with unprotected openings, such as doorways, stairways, light wells, ventilating ducts, belt ways, chutes and channels between joists and studding, which permit rapid spread of smoke and heat from area to area and from floor to floor. The ideal, of course, is properly subdivided incombustible construction or at least, slow burning construction, that is not apt to buckle and warp or collapse from the effects of heat. Automatic fire extinguishing equipment and alarms form a valuable supplement to any building, but these should be in addition to and not instead of the other fire control features of construction.

The Fire Marshals Act gives very wide powers for the repairs and alteration of buildings, and even for the entire removal of dilapidated structures. These powers can be exercised by your local fire chief who is by statute an official under The Fire Marshals Act. Actually no municipality needs any special law for slum clearance or dealing with unusual conditions. The local fire chief can do the job by exercising his present authority.

One further provincial statute that assists the local authorities is the Gasoline Handling Act, passed in 1936, and the regulations which came into effect on Feb. 1, 1937, covering the transportation and bulk and retail storage and handling of gasoline and other petroleum products. Standard safety requirements are set up for service stations and storage plants and except for zoning and special precautions in high value and congested areas, a municipality's worries in connection with gasoline can now be left on the shoulders of the local fire chiefs under these Gasoline Regulations. One item municipalities might consider is the routing of large capacity gasoline tank trucks through their municipalities.

The spread of fire from one building to another, the start of a potential conflagration, is another problem to be met by efficient town planning. The same principle applies here as in the control of fire in a section of a building. The aim is to confine it at least to the building in which it starts. There are too many details to enumerate but they deal with spacing of buildings, exterior wall and roof construction and other items.

Until our own draft Canadian building code is prepared, and it is something that will require very considerable study, there is now a building code which is worth the attention of any municipality reviewing its building by-laws. Here I use the word "review" because I presume that no urban municipality is without a building code or by-law of some kind, even though it may be out-dated by today's methods of construction and the new and special hazards. One that may just be mentioned is air-conditioning which causes unusual hazards which are not provided for in the code of one out of a hundred cities or towns. The National Board of Fire Underwriters has compiled, over a period of more than 30 years, a standard building code which is revised from time to time. That code sets forth the principles of planning and construction from both engineering and fire protection viewpoints.

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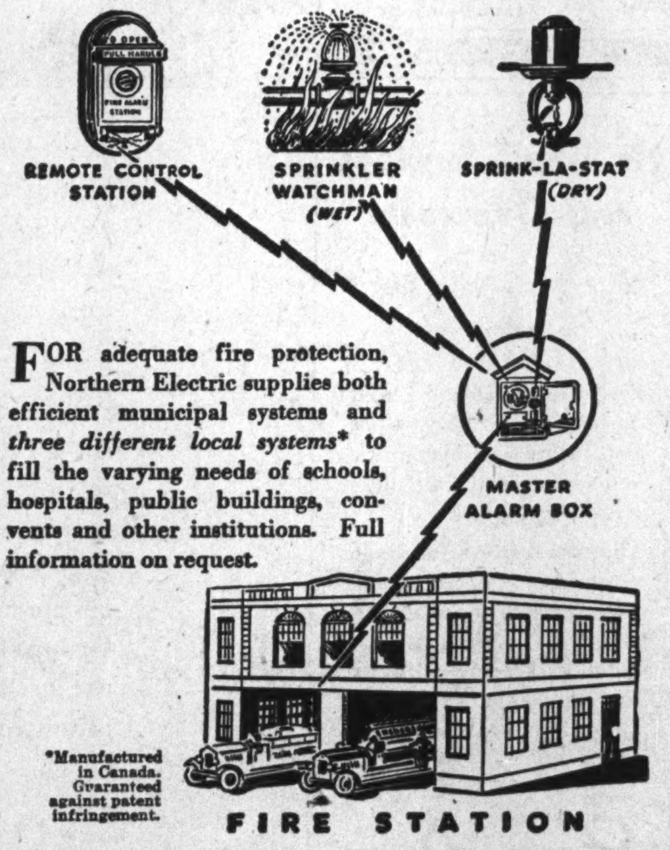

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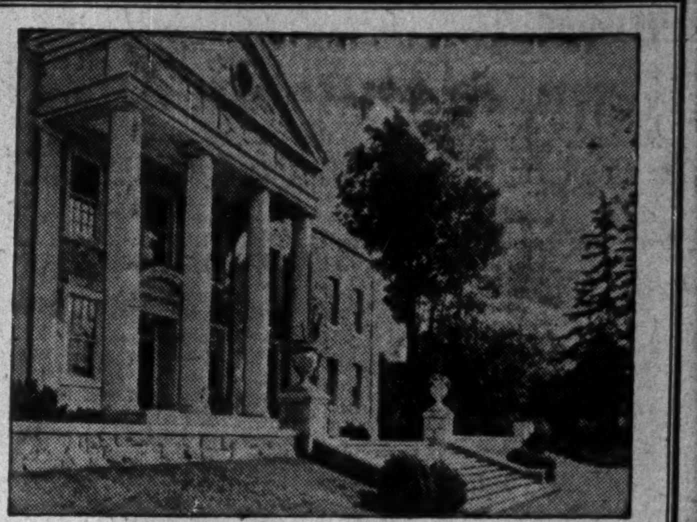

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Insurance

Require Outside Agents To Get Ontario License

Province Leads New Move to Regulate Writing of Risks

New regulation requiring that an agent resident outside Ontario shall not write insurance on property or risks in Ontario without first securing an Ontario license has been issued by Hartley D. McNairn, superintendent of insurance for Ontario.

At the recent conference in Toronto of the Association of Superintendents of Insurance a private executive session was held at which the question of licensing requirements for extra-territorial agents was discussed. The particular case of an Ontario agent, licensed for Ontario only, who was handling the automobile business of a finance company whose interests extend to most of the provinces of Canada, was discussed.

License Outside Agent

As a result of the discussion it was held that an extra-territorial agent should be licensed in all provinces where the business he writes is located. The agent in question argued that as the head office of the finance company was located in Ontario, the risks he was covering should be considered as being in Ontario. The superintendents decided, on the contrary, that the automobiles sold on the installment plan and financed by this company were scattered throughout nearly all provinces.

The new ruling states: "An agent resident in any other province of Canada or state of the United States who writes business on property or risks in the province of Ontario whether such business is obtained directly or through a finance company must be licensed as insurance agent in this province and that no insurance company and no agent thereof and no broker may pay commission to any non-resident agent or broker for placing business on property or risks in Ontario who, at the date thereof, is not licensed to transact business within Ontario."

Survey Shows Life Policy Field

In a nation-wide survey of subscribers recently completed by Good Housekeeping magazine the following facts about the average family's attitude toward life insurance were shown:

15.4% of the men will buy life insurance this year:

93.6% will specify the company.

71.8% discuss it with their wives before purchase.

25.1% have insurance arranged on programme basis.

35.2% wives admit objections to life insurance.

81.8% of the women and 76.5% of the men think it wiser to have the proceeds of life insurance paid to the wife as income rather than as a lump sum.

96.4% of the men own life insurance.

52.9% of their wives are insured.

37% have their children insured.

Insurance Inklings

Great-West Life Assurance Co. announces appointment of Claude F. Dunfee as manager of its Toronto Branch No. 1, succeeding H. A. H. Baker, recently appointed superintendent of agencies. Mr. Dunfee first joined the Regina agency in 1915.

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HOW MUCH OF YOUR OVERHEAD IS *UNDERFOOT?*

Montreal Brokers Fighting Civic Tax

From Our Own Correspondent

MONTREAL.—Montreal brokers are determined to have a test case over the question of whether the city's $100 brokerage tax should be levied on firms as a whole, as in the past, or on each individual member.

Until this year the $100 was charged on each house. Recently the by-law was interpreted to read that each member must pay the $100. To some member firms of the Montreal Stock Exchange and Montreal Curb Market, this will mean a difference of up to $2,000.

Curb Reported On War Risks

Canadian Underwriters Puzzled Over British Stand

Canadian underwriters are still puzzled by the latest reports regarding the writing of war risks. Recent news dispatches indicated that British companies would no longer accept on land war risks, but so far no official news of this decision has reached Canada.

War risk insurance during the Great War was one of the most lucrative parts of the business. In Paris and London, for instance, long queues stood outside insurance offices clamoring for insurance. Rates naturally increased, but the bomb damage was not heavy enough to prevent insurance companies netting a handsome profit.

In January, 1937, British underwriters led by Lloyds decided to write no more "on shore" coverage against war or civil war in any countries save Canada and the United States—unless at special rates.

Marine Restriction

Marine coverage has been very sharply restricted during the past few months. Because war was already in progress in Spain and China, the underwriters did not feel it would be fair to refuse further coverage after policyholders had been paying healthy premiums during peace. Thus certain forms at special rates are still being written for these countries.

War marine insurance now provides coverage only while the goods are actually on shipboard. As soon as transferred to the docks or even to lighters, the insurance is off. This applies to ports of Spain, and Spanish possessions, Tangier, Hong Kong, China, Dairen and Manchoukuo.

Published rates for coverage no longer apply to vessels of the Soviet, Spain, China or Japan.

For Japan, Korea and Formosa, risks are limited to 15 days before or after loading or unloading.

Power and Paper Trust Improves

Canadian P. and P. Investments Reduce Debt — Values Are Higher

From Our Own Correspondent

MONTREAL.—Canadian Power & Paper Investments reports a moderate decline in income during the year ended July 31, but sufficient to take care of debenture interest before setting up an investment reserve of $25,000.

The trustee has been informed that for the accounting period ended July 31, 1937, $43,571 was available for debenture interest and directors have notified holders that coupon No. 11, dated Aug. 1, 1933, will be paid on Oct. 1, 1937.

The income account for the past two years follows:

Income and Surplus Account
Year Ended July 31

	1937	1936
	$	$
Gross income	80,310	91,781
Less: Expenses	8,872	6,215
Interest	125	14,693
Taxes	2,742	1,293
Debent. interest ...	60,000	89,140
Depreciation	25,000	......
Deficit for year	'16,428	19,560

Strengthen Balance Sheet

The balance sheet shows a further strengthening in the financial position of the company. The book value of investments at the end of last July was $4,896,967, as against a market value of $2,610,322. On the same date a year ago, the book value was $5,391,949 and the market value $2,276,077.

During the year $582,800 of debentures were retired at a discount of $101,990, leaving outstanding a par value of $1.2 million. The accrued interest has been reduced from $311,990 to $270,000, while there has been an investment reserve set up of $25,000.

Port Alice Plant Ships Its First Rayon Pulp

The Port Alice plant of British Columbia Pulp & Paper Co. has been making its first shipments of rayon pulp. On Sept. 10, the changeover was made from manufacture of pulp for paper production and the Port Alice plant will be used to make rayon pulp for the rest of this year.

Alterations are proceeding at the wood fibre plant and when they are completed the company will be able to regulate output of the two plants in accordance with market demands for either rayon or paper pulp.

Vocational Students

Enrolment of full-time day students in vocational schools in Canada is about 65,000 and evening students total about 57,000.

United States
Fidelity & Guaranty
Company
TORONTO

Heading Off the Headache

30 APRIL
INCOME TAX

Next April 30 is NOT the time to start thinking about income tax returns.

Right now, better still, six months ago, is the time for thinking and acting—if the last few days of the deadline next year are not going to provide some first-rate rushes and headaches.

Keeping strict personal records, especially designed to fit in with the figuring you'll have to do at income tax time is the key to the whole situation.

There are, of course, those who even have a hard job figuring out their last year's income. But very few keep the right sort of records to show all the allowable deductions in a way that they can be easily taken off and written into the income tax return.

Start off with a list of all the items which may be classed as allowable deductions. Keep these items separate from the non-deductible.

Permanent Records

And give your personal records the dignity and care that make them at least semi-permanent. Some day you and the government may have an argument. Scribbles on scraps of paper may convince you, but the inspector may not be impressed.

If you keep a permanent record of all the information from which you made out your income tax return in such a way that it can be immediately shoved under the suspicious noses of national revenue officials you will never be sorry and you won't draw down penalties.

So, keep your cancelled vouchers, cheque stubs, receipted bills, and your figures—and pay by cheque.

Cheques save you trouble. Besides, they are the best record of transactions you can have. When you can't pay by cheque or don't, learn to keep a detailed record of every item of goods and services.

With all this information, your income tax return will be a half-hour chore. It will be accurate. Above all, you won't pay too much—for it's the allowable deductions that are easy to overlook.

What is the list of deductible items that you should be writing up every week against the reckoning day?

Statutory Exemptions

Start off with the obvious things. Unmarried, you can strike out $1,000 before starting to pay taxes. Married, they give you a $2,000 head start, plus $400 for each dependent, whether parent, grandparent or child, brother or sister. The latter must be under 21 or incapable of self support because mentally or physically defective. If you are not married and run a house or apartment in which you support one or more related to you by blood, marriage or adoption, then you can claim the $2,000 married man exemption.

Business Expenses

All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business can be deducted from gross income.

This includes travelling expenses for business purposes and rentals for business purposes.

Travelling expenses include fares, meals and lodging. A rented sample room is business expense. Commuters' fares are not considered business expense and are not deductible.

Professional Expenditures

The home bookkeeping is particularly important for the doctor. He may deduct a generous allowance toward cost of supplies for professional purposes, cost, upkeep and repair of an automobile, used for professional calls, rent for offices, cost of water, fuel, light, heat and telephone for such offices; cost of office assistants. Certain allowance is also made for books, furniture, instruments and equipment. If a doctor practises from his own residence there is another deduction he may make.

Certain types of interest you have been paying on borrowed money are deductible. You can deduct interest you are paying on the mortgage on property you are renting to others, but not on the house you are living in.

Carrying Charges

You can deduct the interest on carrying charges which you are paying to hold stock in Canadian, British or foreign corporations. With mining companies stock you can deduct both carrying charges, i.e. how much you are paying the broker for carrying your account on margin, and you can take another cut for depletion of the mine. On gold and silver mines the depletion allowance is 20%. If your dividends from So-and-So Gold Mines Ltd. are $100 for the year, the income tax is based only on $80.

If you have Government annuities, you get special consideration. Don't forget them. The last tax-free Government bonds expire this year.

Property Deductions

You can deduct taxes you paid on property which you are renting to others. Only 1937 taxes can be included. Back taxes cannot. Taxes paid on the house in which you live and on unproductive property, such as vacant lots, are not deductible.

Premiums paid for fire insurance on property rented to others are deductible. Repairs on this kind of property and depreciation keep the home bookkeeper busy.

Bad Debts

You can deduct bad debts written off during the year, but this is a tricky item. Only accounts relating to the taxpayers' business can be included. If you are reporting income on the basis of cash receipts then bad debts can't be taken into consideration at all.

Certain types of losses should be noted and deducted. The loss you take when you sell the home in which you live is not deductible. Canada does not follow the United States rule that loss occasioned by damage to your automobile, provided the damage is not wilful, is deductible.

When it comes to charitable contributions, make sure you let your right hand know what your left hand is doing. Don't let modesty interfere with your better business judgment. Get and keep receipts for all payments you make to charity organizations and to churches. Your story of how many five dollar bills you slipped into deserving hands or on to the collection plate may be hard to substantiate.

Gross Incomes

Gross income takes only a little straightforward figuring. It is defined as the annual net profit or gain directly received by a person from any office or employment, profession, trade manufacturing or business derived from sources within Canada or elsewhere. It includes interest, dividends or profits from money invested, from rents, and royalties.

If your earned income is over $14,000, Canada considers you fair game for the tax hunter and you are in for the surtax.

In your personal records, therefore, keep your "earned" income separate from your "unearned" income. "Earned" income is defined as salary, ary, fees and other personal earnings including profits from a trade or profession.

But Canada says there is a limit to how much you can "earn." Over $14,000, everything you "earn" is considered "investment" income and is taxed accordingly on a sliding percentage scale.

Over $5,000 all income derived from investment comes into the surtax class. Thus the $300 on a $5,300 income is subject to the extra rate.

While there is a general set of rules governing the income tax return in broad outline, Canadian income tax men explain there are many marginal cases. "We treat each case on its individual merits."

All arguments about income tax can be taken to the commissioner at Ottawa and if you are still not satisfied, you can plead your case before the Exchequer Court.

Illicit Business

Profits from bootlegging, for instance, are legitimate source of income tax, and the appellant in one case was told that he "could not claim that revenue from his illicit traffic was exempt from taxation because it was illegally or improperly obtained." The Supreme Court of Canada reversed that decision of the Exchequer Court, but the original decision was affirmed by the Privy Council.

In United States all rulings on income tax given by the commissioner are published. In Canada, these rulings which outnumber by thousands the published rulings decided in Exchequer Court, are not published.

In any case, you will be further ahead if you keep your own records. And keep them for years. It may take the income taxers a while to get to you.

Dominion Coal Output

From Our Own Correspondent

MONTREAL. — Dominion Coal Co.'s output at the Cape Breton collieries last month totalled 385,114 tons. This represents an increase of 11,000 tons over the output in September last year, but 16,000 tons lower than the tonnage for August of this year.

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Great-West Life Group Insurance costs the employer about one cent a day per employee; the employee pays 60 cents a month for $1,000 insurance. It promotes loyalty, reduces personnel turnover, increases efficiency.

Employees are able to obtain insurance at low cost, regardless of age or physical condition. Their families are guaranteed an income during the difficult months following the death of a breadwinner.

We shall be glad to discuss the problem of Group Insurance with you.

The
GREAT-WEST LIFE
ASSURANCE COMPANY
Head Office — WINNIPEG

WHAT ARE YOU *"writing off"* FOR HUMAN DEPRECIATION?

On the same principle that they write off so much each year for depreciation of plant and equipment, many employers are now setting aside a certain sum annually to provide for Human Depreciation.

They do so because they recognize a moral obligation to employees of long service, who will eventually become too old to work efficiently; and who, when that times comes, should be retired on an annuity. This is not to say that the entire onus of providing that annuity rests upon the employer. On the contrary, experience has shown that employees themselves are anxious and willing to co-operate financially to provide such annuities.

This desire to co-operate has resulted in various plans of contributing insurance being developed to provide Group Life Insurance, Group Sickness and Accident Insurance and Group Retirement Benefits.

In this connection, those firms which enjoy the most harmonious industrial relations have been the most progressive in promoting the Co-operative welfare of employees by means of one or more orms of Group Insurance. The Confederation Life Association has for many years been devising Group Insurance Plans for corporate and private employers and their employees. In addition to numerous Group Life and Sickness and Accident policies, the Association has co-operated in the setting up of many retirement plans and is now entrusted with the privilege of administering pensions for more than $2,000,000 per year.

The services of the Association are available for advice and consultation.

CONFEDERATION LIFE
ASSOCIATION
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"TIME--marches on!"

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"TIME--marches on!"

Today, investments are complex and diversified. Every asset demands constant vigilance if undue shrinkage is to be avoided and appreciation in values obtained.

Furthermore, a thorough knowledge of succession duty and income tax law and of stock, bond and real estate values is indispensable.

Three factors should be given the fullest consideration when selecting an executor:—collective judgment, financial responsibility and long experience.

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Russia's Women Laborers

Title of Housewife Not Recognized By Soviet

By MURRAY R. CHIPMAN,
Eastern Manager, The Financial Post

One day in Moscow, our interpreter surprised my wife by asking her if she worked.

Somewhat taken aback, she replied that she "ran the home." But in Russia that isn't enough, apparently. Women work and park their babies in the factory crèches, although there are fewer crèches than one imagines.

On this score of workers' benefits, the propaganda version of Soviet Russia, with its great emphasis on social security, expresses an ideal far superior to the reality.

For example, when I was in Moscow there was announced with great rejoicing that old age pensions were now being extended to the white collar class.

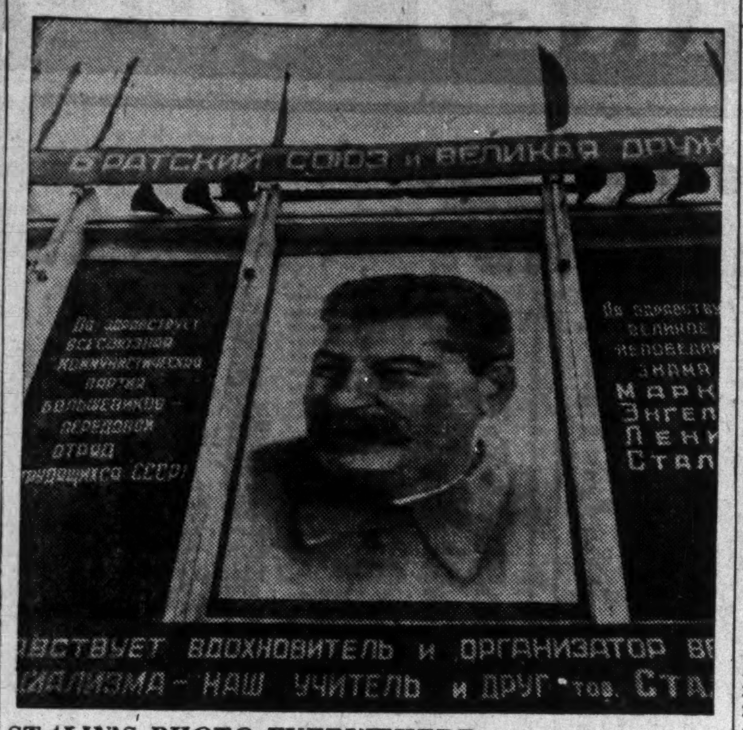
In reality this meant adding 60,000 names to the previous list of 120,000 workers eligible for such a pension —a total of but 180,000 workers in the whole of Russia. And that pension was 300 roubles a month—fifty roubles more than the cost of one pair of the poorest pair of shoes.

One Way To Give Work

Soviet Russia boasts that she needs no unemployment insurance because there are no unemployed.

When the State is the employer, unemployment can be arbitrarily averted by the simple process of several men, for instance, doing the work we would do with one.

One informant, who knew the workings of Soviet industry, said the surplus of man-power needed on a given job was a definite brake on efficiency, and Russia has of course a vast and increasing army of civil servants noted for their love of red tape.


БРАТСКИЙ СОЮЗ и ВЕЛИКАЯ ДРУЖ
ВСТВУЕТ ВДОХНОВИТЕЛЬ И ОРГАНИЗАТОР ВЕ
ИАЛИЗМА - НАШ УЧИТЕЛЬ И ДРУГ - тов. СТА

STALIN'S PHOTO EVERYWHERE

Even at the entrance to Moscow's park of culture and rest huge pictures of Stalin are the main decorative scheme.—Photo by M. R. Chipman.

It must be remembered, too, in this matter of unemployment, that Russia, in her gigantic industrialization plan coupled with the development of her raw materials (in which she is practically self-sufficient), is about on a parallel with the similar development which began on this continent some fifty years ago.

Thus unemployment presently is not a problem in Russia now even as it was not with us during the early days of industrialization on this continent.

Employment Compared

Russians make a great point, of course, of our "capitalistic" unemployment. In Moscow I visited their Museum of Export where there were on display various of the industrial products they are selling abroad.

I found myself getting into an argument, with the interpreter and the official who was showing us around, over two charts which were drawn to my attention. One showed an ascending line at an angle of some forty-five degrees and another line, starting from the low point of the other, which dipped down a bit and then up slightly.

I learned that the ascending line represented the dramatic increase in wages in Soviet Russia and the other line, the descending wage scale in the capitalistic countries.

Obviously this was grossly misleading. Any increase in the Soviet's pathetically low wage scale (officially given for the year 1936 as averaging but 2,755 roubles for all industries and 3,145 roubles for the white collar class) would show a high percentage increase whereas any reduction on our wage scales would still leave the dollar value and purchasing power of our wage for above the Soviet level.

The other chart showed various wide upright lines, one of which was dramatically tall. This represented the unemployment in the United States and gave it as 14,000,000 or approximately equivalent to ten per cent of the U. S. population.

I mentioned this to an able observer in Moscow and he said, "The parallel to that is that at least ten per cent of the Soviet's 178,000,000 population are living on bare subsistence rations with black bread and cucumbers as the basic diet. They are 'employed' yes, if you want to call it that—but at a sacrificial level and under housing conditions which outdistance anything our slum areas unhappily portray."

Equal Rights With Women

We were interested in the extent to which women do heavy work in Russia. One would see girls as section hands in the railway yards and women doing a man's job in building and construction. There is one virtue—they have the same status as men and get the same pay for equivalent work. As one person humorously put it, "Men have equal right with women in Russia."

One of the busiest places in Moscow was the manicurist parlor in the hotel. Mrs. Chipman was greatly amused on her visit there one day, to find a brawny Soviet sailor getting his nails done. Appointments didn't seem to be respected if a preferred friend came in.

The wife of the Premier of the Soviet felt that her fellow women of Russia needed perfume. (I think perhaps she was right.)

The Premier's wife visited America, and purchased perfume-making machinery. Now you will see perfume shops with attractive window displays on many of the main streets in the principal cities, though the prices are high. Lipstick, rouge and tinted finger-nails on some of the Soviet women make a strange contrast to the numbers you see with the familiar kerchief headdress tied under the chin, plodding along in the cities in their bare feet.

Piece Work in Soviet

The reader will remember, from the first article, that the textile mill manager got a bonus of a car because his plant fulfilled its quota and that there is a difference in the wage scale of the workers. How then do their methods to increase production differ from ours?

The answer is that they don't differ. Human nature doesn't seem to change by law. Men and women still work better for more remuneration. Consequently piece work and the "speed up" are a definite part of the present Soviet industrial plan.

"That will not always be so," said our interpreter, "for, you see, now we have Socialism, where people are paid according to their abilities, but Communism is coming."

Anti-Religion Campaign

And this "but" of hers leads us to that most interesting experience, our visit to an anti-religious museum. It was in a former church. There were booths dramatically representing the different religions and the hokum which, it was said, they had foisted on the peoples down through the ages.

I enquired of the interpreter, "But where is the one on Christianity?" She replied, "I think it has been removed to make way for an exhibit of posters on the war in Spain." Incidentally, she said, she and her friends were all sending one per cent of their salaries to help along the Spanish Government's cause.

It was true the booth on Christianity was devoted to Anti-Fascist posters. Later my eye became rivetted on an arresting picture. It showed Christ on the Cross wearing a gas mask.

I asked the interpreter, "What does that mean to you?" She said, "That is the symbol of the faith whose priests on both sides blessed their troops going into action in the last war, which was fought for economic causes."

That is the propaganda answer of course. But it is the answer of a new generation in Soviet Russia, who deny His teaching with its emphasis on the dignity and worth of individual personality and of the permanence of the great moral sanctions.

"You see," said the girl, "we don't believe in immortality. We believe in creating a heaven here on earth rather than promising, as you do, an uncertain one in the hereafter as a solace for present ills. Religion is the opiate of people."

Communism to Come

And yet I couldn't help remembering her earlier statement. "You see we have Socialism here now. But Communism is coming when there will be a classless society and each will be paid according to his need."

I think we can out-slogan the Soviet and say that, "Communism is their opiate of the people," the solace, or hope, held out to their peoples to make present conditions endurable. For theirs is certainly not a classless society now and the State is a despotic task-master whose exploitation of the workers is almost without redress.

Since there is no Sunday in Russia but only a rest day every sixth day, what do the populace do on their rest day?

The Parks of Culture and Rest, available in most of the larger cities, are one answer, although someone, perhaps too cynically, asked, "Where is the culture and where the rest?"

It was carnival night when we visited Moscow's big park. We would call what we saw an amusement park with one distinction—there were both indoor and outdoor theatres with orchestral music, plays, movies and vaudeville. The park was also used for propaganda purposes—large pictures of current local Soviet heros being on display in addition to the usual "blow ups" of Stalin and busts of Lenin.

The crowd was stupendous and in good cheer and, I believe, mostly stayed on until the very early morn.

Pay to Enter Park

The various entertainments were not free. There was a nominal charge in addition to the seven roubles apiece entrance fee to the park.

One of the most popular stunts was a tower from which controlled parachute jumps could be made. Another feature, new to us, was daylight fireworks which, bursting in different colored smoke, drifted lazily in the still air.

There are still some of the old Greek Orthodox churches open in Russia, which are attended by the old folks and the very young. The chief characteristic is the almost fanatical devotion of those present as they kiss the sacred ikons.

One observer said to me, "No place is more interesting than Moscow on the traditional Easter Sunday when crowds go to church in spite of everything—including the keen-eyed police who endeavor to tell by the expression of those whom they observe, especially the youth, whether they are being touched within by the religious contagion."

Emphasis on Science

He continued: "I would say that the one score on which we can praise the Soviet regime is in its emphasis on scientific research and, in the realms of art, its sponsorship of such a traditional heritage as the Moscow art theatre, the Russian ballet and the preservation of the folk lore of its varying nationalities. To this can be added their interest in youth and health, their emphasis on the dignity of work and, also, their non-discrimination against all nationalities.

"This, of course, is no greater a virtue than exists similarly in many countries. But it is interesting that it does exist in Soviet Russia even if the objective be most often for propaganda purposes.

"It is likewise true of their steps to bring light to the minds of illiterate Russia. It is light but it illuminates minds with the Soviet propaganda viewpoint only. Freedom of intellectual range is bounded on all sides in the political sphere. There is an essential lack of freedom in Soviet Russia and it expresses itself arbitrarily in exploiting the masses to the will of the 'State'."

Next week's article will take us to a collective farm in the Ukraine and will give some insight into who is bearing the brunt of Soviet Russia's will to progress. And some inevitable conclusion from the Russian experience will be drawn for those of us who live under the banner of Anglo-Saxon democracy.

Bell Extends Toll Service

Long Distance Traffic at Peak — Makes Extensions Necessary

From Our Own Correspondent

MONTREAL.—More toll traffic facilities are planned by the Bell Telephone Co. of Canada in order to handle the increased long distance telephone calls.

Toll traffic to and from Montreal is now 10% greater than in 1936 and in order to avoid congestion the company will shortly complete the second part of an extensive construction programme designed to provide a service adequate for some years to come between Montreal and outside points.

At present Montreal has 404 direct circuits to more than 100 distant points. Ordinarily this would be sufficient to take care of the traffic, but on September 3 last, 8,986 calls were completed, the greatest number the long distance office has handled in any one day.

Add to Talking Channels

Approximately 1,200 messages are handled each day over the Montreal-Toronto circuits, this group ranking among the more important on the Continent. Early this year four additional talking channels were added and before the end of this year four more will be installed, bringing the total to 31.

Trans-Canada traffic will also be completed more efficiently when a second Montreal-Winnipeg direct circuit is provided December 15.

The third stage of the present programme will go into effect next year when four carrier systems, utilizing high-frequency currents whereby a number of conversations may be carried on simultaneously over a single pair of wires, are imposed on the present Toronto circuits.

What's What In Advertising

By JEAN R. GEMMELL

Seventh annual exhibition of the Advertising and Sales Club of Toronto will be held in the Royal York Hotel Oct. 25-28. This year's show has been planned with two basic ideas in mind: (1) to introduce greater uniformity in the form and presentation of each display (and thus give fuller meaning to the basic educational purpose of the exhibition), and (2) to provide every exhibitor with an attractively constructed foundation for his exhibit, so that no penalty is placed upon those who cannot assume elaborate preparation costs.

British Columbia apple growers are to have the benefit of an intensive advertising campaign in Manitoba late this fall. The Tree Fruit Board have decided to stimulate sales and Cockfield Brown & Co., advertising agency, are preparing the campaign. The principal emphasis will be laid on newspaper advertising, although other mediums will be used to some extent. Estimates are that there will be more than 500,000 boxes more to market this year than a year ago. Manitoba has had an excellent crop and it is thought possibilities for increased sales are greater than elsewhere. Alberta sales will be stimulated by the radio campaign agreed on between jobbers, shippers and the Tree Fruit Board.

Daily newspapers and a selected list of magazines will be used to advertise the tourist attractions of Jamaica, B.W.I. A. McKim Limited is sending out the copy.

Light cars are to be featured in extensive advertising campaigns in British Columbia. A province-wide campaign for Austin cars will be launched by Fred Deeley Ltd., B.C. distributor. The Standard Motor Car Co. Ltd., of England, will conduct a newspaper campaign for Standard cars distributed in B.C. by Bingham-Lee Motors Ltd., Vancouver, while both newspaper space and billboards are being used by Meredith Motors for Willys cars. Stewart McIntosh Ltd., advertising agency, Vancouver, is handling all three accounts.

An advertising campaign stressing the merits of "Blue Coal," produced and marketed by D. L. and W. Coal Co., will be released this week by Vickers & Benson Ltd. The campaign will continue through the winter months.

The Baker Advertising Agency, Toronto, are releasing a new campaign for the Tea Market Expansion Bureau covering a period from October to May. The advertisements are addressed to people in various walks of life and show in cartoon story form how the reviving effects of tea get work done faster. Newspaper and week-end publications will be the backbone of the campaign, but special campaign in various business executive magazines show the advantage of serving tea in offices and factories.

Investors' Chronicle
6d. Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post card application to:
THE PUBLISHER,
INVESTORS' CHRONICLE,
20, BISHOPSGATE,
LONDON, E.C. 2, ENG.

600 Coal Miners Strike on Wages

From Our Own Correspondent

MONTREAL. — Following the failure of the representatives of the company and the men to make a new wage agreement, 600 miners of Nova Scotia Steel & Coal Co.'s Florence colliery have gone out on strike.

The short-wall miners went out on strike last week when their demand for higher wages was not granted. They resumed operations pending a settlement, but negotiations fell through again and the colliers walked out

Obituaries

Hon. Rudolphe Lemieux, K.C., B.C.L., LLD., for 41 years a member of Canada's parliament, died in Ottawa last week at the age of 71. First elected to the House of Commons in 1896 he was appointed solicitor general by Sir Wilfrid Laurier in 1904. In 1921 he became Speaker of the House, a position which he held until 1930, declining, in 1924, an offer of the lieutenant-governorship of Quebec province. His appointment to the senate in 1930 closed a career in the lower house which had earned him the respect of all parties. Mr. Lemieux was president of the Societe d'Administration et de Fiducie; vice-president, Credit Foncier, Franco-Canadian; chairman LaPrairie Co.; director Lake of Woods Milling Co., Banque d'Epargnedela Cite et du District de Montreal, National Life Assurance Co. and Fire Isurance Co of Canada.

Hon. William James Roche, first graduate of the medical school of Western University, died in Ottawa last week, aged 78. Dr. Roche, after practising medicine for a short time in western Canada, entered political life with an unsuccessful bid for election to the Manitoba Legislature in 1892. He afterward returned east and in 1896 was elected to the House of Commons as member for Marquette, Ont. In 1911 he was appointed secretary of state by Sir Robert Borden. A year later he became minister of the interior in the same Cabinet. In 1917 he was appointed chairman of the Canadian Civil Service Commission, a post which he held until retirement in 1935. From 1916 until 1929 Dr. Roche was chancellor of Western University.

Sir Tasker Cook, acting prime minister of Newfoundland from 1929 to 1931, died recently at St. John's. Sir Tasker in addition to his British knighthood had received numerous decorations from foreign countries. He had been mayor of St. John's for nine years.

CANADA'S great hydro electric developments which turn the wheels of thriving industries are financed by the issue of bonds and capital stock. This Old Canadian Company is equipped to engrave such securities promptly and efficiently.

BRITISH AMERICAN BANK NOTE COMPANY
LIMITED

HOWARD W. PILLOW
President

CHARLES G. COWAN
Vice-Pres. & Man. Dir.

G. HAROLD BURLAND
Sec.-Treas.

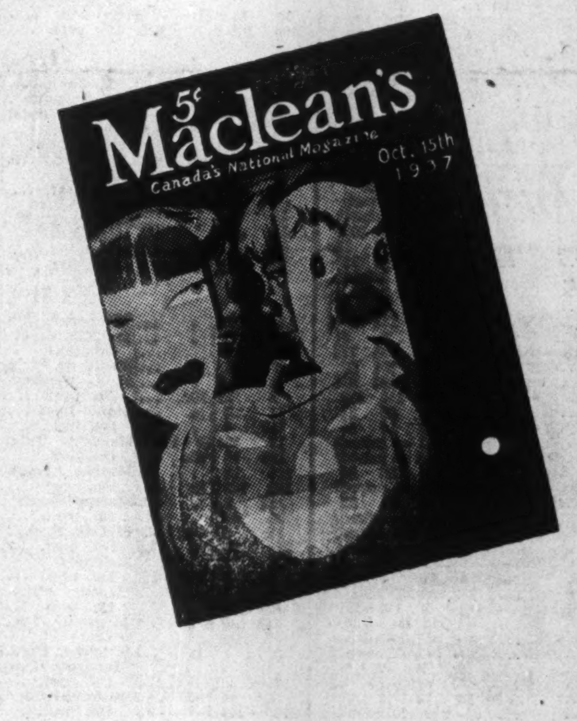
HEAD OFFICE : OTTAWA
252 Wellington Street

511 Place d'Armes
MONTREAL

1110 Bank of Hamilton Bldg.
TORONTO

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp



Maclean's gets a lot of reading from a lot of important people

481 University Avenue
TORONTO

DOMINION SQUARE BUILDING
MONTREAL

NEW YORK • CHICAGO
LONDON, ENG.

Maclean's
Canada's National Magazine

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 4

Range 1937 High	Low	Div. Oct. 2 R'te $	Y'ld %		Sales	Last Sept. 27	Week end. Oct. 4 H	L	Cl'se
				A					
15½	3½	*	...	Abitibi	8243	4½	4⅞	4	4⅞
80	33	*	...	Do. pref. 6%	1751	38	40	36½	38
97	60	*	...	Do. pref. 7%	....	(— bid 68 asked)			
79½	38	*	...	Do. cert. dep.	....	(37 bid — asked)			
6½	2½	10c	...	Acadia Sugar	....	(— bid 4½ asked)			
18½	9	50c	5.5	Acme Glove	....	(— bid 10 asked)			
94	75	6.50	7.7	Do. pref.	1	82	84	84	84
12	8½	60+30c	.	Agnew Surp.	210	10½	10	9½	9½
110	103½	7	6.7	Do. pref.	....	(104 bid 110 asked)			
7	2	*	...	Alta. Pac. Gr.	200	2	2	2	2
43½	9	*	...	Do. pref.	410	10	10	9	9
135	75	*	...	Aluminum	....	(86 bid 87 asked)			
130	130	6+7.75▲	.	Do. pref.	....	(120 bid 123 asked)			
7	4	*	...	Amal. Electric	....	(— bid 5 asked)			
31	25	*	...	Do. pref.	163	25	28	25	28
35⅞	29½	60c	...	Amer. Cyn. B.	....	(— bid 43 asked)			
92	50½	.	...	Asbestos	3222	57	63	57	62
16	11	80c	6.2	Assoc. Brew.	55	13⅞	13⅞	13	13
111	106	7	6.4	Do. pref.	5	110	111	111	111
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 6½ asked)			
57	37½	1.26	...	Do. pref.	....	(— bid 42 asked)			
102½	100	5.50	5.5	Ault & Wiborg	32	100	100	100	100
				B					
60	57	2.25	3.9	Bank of Canada	193	58	58½	57	58
161½	143	8	5	Bk. Can. Nat.	64	159	159	158	158
245	199	8	4	Bk. Montreal	814	200	201	199	200
340	305	12	3.7	Bk. N. Scotia	59	320	323	318	323
273	235	10	4.1	Bk. Toronto	100	240	243	240	243
8	6		..	Barcelona	....	(4½ bid 7½ asked)			
15	8½	96c	10.6	Barker's Bread	65	8½	9	9	9
48	36	2.50	6.9	Do. pref.	....	(36 bid 45 asked)			
24⅞	12⅞	.	...	Bathurst Pr.	3092	14⅞	15½	14½	15½
12½	5½	.	...	Do. (B)	295	5½	7	6	6
5⅞	1½		...	Bawlf Grain	50	1½	1⅞	1⅞	1⅞
38	16	.	...	Do. pref.	....	(12 bid — asked)			
10	1⅞	.	...	Beath & Sons	....	(1⅞ bid 7 asked)			
21½	14	.	...	Beatty Bros. A	....	(15 bid 15½ asked)			
112	99	6	6.1	Do. pref.	....	102½ bid 106 asked			
105	95	7	7.4	Do. 2nd pref.	....	(— bid 105 asked)			
10	4⅞	.	...	Beauharnois	3372	5⅞	7⅞	6	7½
107	100	4	3.8	Belding Cort.	....	(— bid 107 asked)			
130	122½	7	5.6	Do. pref.	....	(125 bid — asked)			
178	154	8	4.8	Bell Telephone	438	164½	168½	164	166
16½	9	25c	...	Biltmore Hats	100	10	10	10	10
110	109½	7	6.4	Do. pref.	....	(— bid 120 asked)			
13	8½		...	Bissell, T. E.	....	(5⅞ bid 10 asked)			

Mining Stock Quotations

WEEK ENDING OCTOBER 4

Par Val.	Range 1937 High	Low	Company	Sales	Close Sept. 27 (or last)	High for week	Low for week	Close Oct. 4
1	.10½	.02	Afton	3,000	.02	.02¾	.02	.02¾
No	1.90	.65	Aldermac	33,879	.70	.85	.65	.80
1	.04¾	.01	Alexandria	500	.01½	.01½	.01½	.01½
1	.26	.14	Amm. Gold	1,800	.20	.21	.16	.16
No	8.75	4.20	Anglo-Huronian	4,240	4.25	4.95	4.20	4.95
1	1.42	.28	Argosy	5,800	.28	.35	.30	.34
1	1.15	.24	Arntfield	5,800	.25	.24	.24	.24
No	.09	.02½	Arno	500	.03	.02¾	.02¾	.02¾
1	.15	.05	Ashley	1,500	.06	.06½	.06	.06
1	.27	.06	Astoria Rouyn	22500	.06	.07	.06	.06¾
50c.	.16	.06	Aztec	......	(.... bid .10 asked)			
1	.49	.16	Bagamac	7,875	.21½	.25½	.24	.25
1	1.85	.53	Bankfield	11,835	.62	.70	.60	.65
1	.65	.16	Base Metals	3,700	.20	.20	.18	.20
No	1.75	.98	Beattie Gold	6,225	1.01	1.25	1.05	1.15
1	.65	.19	Beaufor	7,000	.20	.22	.19	.22
1	1.70	.38	Bidgood Kirk	146,762	.48	.64	.48	.55½
1	.72	.35	Big Missouri	9,425	.43	.48	.43	.43
1	.29	.11	Bobjo	6,330	.11	.12	.11½	.11½
1	1.14	.15	Bouscadillac G.M	6,500	.18	.18	.18	.18
No	9.00	6.40	Bralorne	1,587	7.40	7.80	7.40	7.75
1	.15	.05	Brazil Gold	......	(.03 bid .07 asked)			
1	.21	.05	Brett Trethewey	9,300	05	.06½	.05	.06½
1	.13	.03	Brownlee	6,200	.03	.04	.03	.04
1	12.50	8.25	Buffalo Ankerite	1,736	9.25	10.50	9.50	10.50
No	.06½	.02	Buffalo Can.	500	.02½	.02½	.02½	.02½
5	30.00	22.75	Bulolo Gold	1,530	23.50	23.65	23.00	23.00
No	.23	.10	Bunker Hill	11,700	.12½	.14	.13	.14
No	2.30	.87	Can. Marlartic	17,150	1.07	1.17	1.05	1.12
1	1.75	1.41	Cariboo Gold	1,700	1.45	1.50	1.45	1.50
1	.47½	.12	Cartier Malartic	9,000	.13	.15	.13	.14
1	1.66	.70	Castle Trethewey	600	.70	.85	.70	.81
1	.65	.22	Cent. Cadillac	4,800	.33	.34	.30	.30
1	.31	.04	Cen. Manitoba	51,400	.04	.05	.04	.04½
1	5.25	2.00	Cen. Patricia	30,285	2.15	2.40	2.12	2.30
1	.43	.09	Cen. Porcupine	6,600	.10	.10	.10	.10
No	1.47	.44	Chromium	48,812	.65	.65	.44	.50
5	10.00	2.50	Coast Copper	1,350	2.50	2.85	2.50	2.75
1	.03½	.01	Cobalt Contact	500	.01	.01½	.01½	.01½
5	3.50	2.00	Coniagas	400	2.15	2.05	2.00	2.00
No	2.14	1.00	Coniaurum	5,200	1.15	1.25	1.12	1.23
1	2.70	.21	Con. Chibougamau	23,225	.24	.29	.24	.24½
25	100.50	57.00	Cons. Smelters	10,423	64.50	65.50	60.00	62.50
1	2.98	.31	Darkwater	21,500	.50	58	.49	.58
No	51.12	37.00	Dome Mines	9,444	41.25	44.25	41.50	43.00
1	.15	.04	Dom. Explorers	......	(.... bid .03¾ asked)			
1	1.22	.35	Dorval Siscoe	14,475	.37½	.45	.40	.42
1	.15	.05	Duparquet	4,600	.06	.06½	.05½	.06½
1	2.05	.65	East Malartic	39,400	.90	1.02	.89	.95
1	3.65	1.75	Eldorado	27,681	1.95	2.45	2.00	2.35
No	12.87	5.25	Falconbridge	7,070	5.75	6.20	5.60	5.95
1	.54	.06½	Federal	84,000	.08	.12	.08½	.11
No	1.59	.35	Francoeur Gold	23,950	.45	.55	.48	.55
1	.30	.03½	Glenora	11,600	.04	.05	.04	.04¾
1	.65	.20	Gillies Lake	22,700	.26	.28	.22	.24
No	1.02	.40	God's Lake	10,550	.50	.59	.50	.54
1	.49	.16	Goldale	18,900	.16	.22	.19	.21
50c.	.39	.12	Gold Belt	1,000	.23	.26	.25½	.25½
1	.68	.27	Gold Eagle	15,100	.34	.34	.30	.33
1	.22	.07½	Goodfish	25,400	.08	.11	.09	.10
1	.63	.07½	Graham Bosquet	2,500	.08	.10	.08	.09½
1	.57	.10	Granada Gold	3,400	.10	.14	.13	.13
No	.18	.05¼	Grandora	4,000	.05¼	.05¼	.05¼	.05¼
1	.18½	.07	Grull Wihksne	1,010	.08	.08	.07	.07
1	1.25	.55	Gunnar Gold	12,800	.70	.76	.70	.75
1	.07	.02	Halcrow Swayze	500	.02	.02½	.02½	.02½
1	3.44	.80	Hard Rock	56,305	1.00	1.20	.98	1.10
1	.35	.11½	Harker	17,400	.12	.14	.13	.14
5	15.50	10.37	Hollinger	10,022	11.00	13.00	11.00	12.65
1	.72	.30	Howey Gold	13,850	.32	.36	.32	.32
No	41.75	21.00	Hudson Bay	8,954	23.50	25.12	22.00	22.00
1	19.25	9.00	Inter. Mining	200	9.00	9.00	9.00	9.00
No	73.25	49.50	Int. Nickel	33,334	53.25	53.75	50.00	51.50
1	.54	.25	Jacola	38,727	.38	.42	.37	.40
1	1.61	.50	Jack Waite	2,200	.58	.61	.59	.60
1	2.15	.70	Jellicoe	79,321	.77	.98	.80	.92
1	.59	.17	J. M. Cons. Gold	27,850	.21	.27	.22	.25
1	3.30	1.71	Kerr Addison	45,502	1.95	2.12	1.86	2.00
1	.65	.30	Kerr Lake	......	(.39 bid .50 asked)			
1	.55	.20	Kirk. Gold Rand.	2,342	.25	.25	.25	.25
1	2.65	1.00	Kirk. Hud. Bay	6,125	1.00	1.20	1.05	1.10
1	1.70	.90	Kirkland Lake	99,083	1.32	1.38	1.30	1.33
1	.55	.18	Kirk. Townsite	2,000	.18	.20	.19	.20
1	1.10	.35	Laguna	7,000	.40	.40	.35	.40
1	59.50	46.00	Lake Shore	11,322	47.87	51.65	48.00	50.00
1	.28	.04	Lamaque Contact	12,000	.04½	.04½	.04½	.04½
1	1.33	.47	Lapa Cadillac	36,700	.51	.60	.51	.57
1	1.30	.73	Lava Cap	13,250	.85	.96	.87	.90
1	.30	.11½	Lebel Oro	12,600	.14½	.16	.15	.15
1	.07½	.02	Lee Gold	11,000	.02½	.02½	.02½	.02½
1	1.35	.45	Leitch Gold	7,350	.55	.64	.56	.62
No	8.40	4.30	Little Long Lac	5,635	4.60	5.05	4.70	5.00
1	8.60	4.10	Macassa	27,551	4.65	5.45	4.60	5.15
1	1.26	.50	Madsen Red Lake	55,400	.55	.84½	.57	.83
1	.04⅞	.01½	Malrobic	5,500	.01¾	.01¾	.01½	.01½
No	.69	.20	Mandy	3,000	.20	.29	.21	.25
No	.16	.02	Man. & Eastern	13,700	.02½	.03	.02½	.02½
1	.36	.08½	Maralgo	8,225	.12	.12	.10	.11
5	42.25	32.63	McIntyre	6,085	33.63	38.00	34.87	37.12
1	2.03	1.00	McKenzie R.L.	18,150	1.10	1.22	1.08	1.17
1	.65	.40	McKinley	......	(.50 bid .70 asked)			
No	4.85	1.15	McLeod Cockshutt	41,204	1.25	1.36	1.23	1.28
No	1.21	.33	McWatters	8,800	.37	.40	.37	.39
1	.57	.15½	McVittie	19,330	.18	.21	.16	.16
No	5.00	2.00	Mining Corp.	6,645	2.40	2.60	2.20	2.45
No	.33½	.06½	Minto Mines	14,500	.07½	.08½	.06½	.06½
1	.08	.02	Moffatt Hall	500	.02	.02½	.02½	.02½
1	.88	.20	Morris Kirk	26,600	.20	.27	.20	.23
1	1.97	.95	Moneta	134,317	1.74	1.90	1.66	1.80
1	.45	.10	Montague	......	(.10 bid .20 asked)			
1	.10	.02¾	Murphy	10,600	.02½	.04½	.02¾	.03¾
1	1.05	.22	Naybob	13,900	.31	.32	.27	.32
No	.12	.01⅞	Newbec	3,200	.03¾	.04	.03¾	.03¾
1	1.49	.35	New Golden Rose	3,800	.40	.45	.40	.42
5	3.60	1.55	Nipissing	900	2.00	2.20	2.00	2.15
No	83.00	48.00	Noranda	12,933	51.00	52.00	48.50	50.00
No	.95	.64	Nor. Canada	3,000	.70	.73	.72	.72
1	.16¾	.02	Norgold	2,500	.03½	.04	.03½	.03½
1	2.23	.98	Normetal	8,221	1.05	1.30	1.15	1.30
1	13.25	3.60	O'Brien	38,335	4.00	4.40	3.90	4.05
1	1.25	.35	Omega	19,700	.40	.47	.42	.45
1	2.20	.85	Oro Plata	20,150	1.35	1.65	1.45	1.55
1	.30	.10	Osisko	500	.16	.17½	.17½	.17½
No	4.05	1.90	Pamour	16,281	2.65	2.90	2.50	2.90
1	1.10	.30	Pandora	8,100	.35	.40	.35	.40
1	.42	.11	Parkhill	13,266	.16	.15	.13	.13
1	3.80	1.90	Pato Cons. G.	2,600	1.90	2.25	2.15	2.20
1	.41	.09	Partanen	8,800	.09	.10½	.09	.10
1	.06	.01½	Pawnee Kirk	2,000	.01½	.01½	.01½	.01½
1	.46	.12	Paulore	300	.12	.12	.12	.12
1	1.38	.38	Paymaster	55,050	.41½	.49	.43	.45
1	.35	.18½	Payore	33,400	.19	.23	.18½	.22
1	6.60	2.55	Pend Oreille	25,620	2.75	3.00	2.55	2.85
1	2.51	.70	Perron Gold	12,500	.75	.95	.77	.91
1	.03	.01¼	Peterson Cobalt	1,000	.01¼	.01¼	.01¼	.01¼
1	9.20	4.25	Pickle Crow	14,966	4.95	5.25	4.80	5.25
1	6.85	3.20	Pioneer Gold B C.	3,755	3.35	3.80	3.40	3.60
1	17.50	13.00	Placer Development	340	13.00	13.50	13.00	13.00
1	2.20	.75	Powell Rouyn	19,150	1.05	1.25	1.06	1.20
1	4.50	1.90	Premier Gold	10,416	2.15	2.40	2.20	2.20
1	1.47	.55	Preston E. Dome.	28,850	.83	.95	.80	.90
No	2.00	1.10	Prospectors Air's.	11,900	1.25	1.45	1.25	1.36
1	.88	.30	Quebec Gold	3,000	.35	.36	.35	.35
No	.48	.07	Quemont	......	(.08 bid .16 asked)			
1	6.85	2.65	Read Authier	10,720	2.90	3.50	3.10	3.35
1	2.00	.20	Red Crest	27,300	.26	.38	.26	.32
1	1.78	.25	Red Lake	21,600	.25	.29½	.26	.28
1	1.35	.72	Reno Gold	5,400	.76	.83	.77	.80
1	1.52	.55	Reeves McDonald	1,200	.60	.62½	.55	.62½
1	.22	.06	Reward	19,000	.06	.09	.06½	.08½
1	.16	.02½	Ritchie	4,500	.03	.03½	.02¾	.03½
1	.12½	.02¾	Robb Montbray	25,000	.03	.03¾	.02¾	.03
1	.48½	.09	Roche Long Lac	12,400	.10	.12	.10	.11
1	2.40	1.25	San Antonio	3,515	1.30	1.50	1.35	1.45
1	1.13	.35	Shawkey	37,400	.38	.48	.39	.40
50c.	1.00	.57	Sheep Creek	3,300	.85	1.00	.86	1.00
1	4.00	1.50	Sherritt Gordon	45,247	1.72	1.84	1.60	1.72
1	6.65	2.75	Siscoe	38,700	3.05	3.45	3.15	3.35
1	2.50	.76	Sladen Malartic	40,675	1.02	1.12	1.00	1.03
1	2.50	.27	Slave Lake	18,700	.32	.42	.35	.37
No	2.90	.65	Stadacona	154285	.74	.87	.73½	.78
1	.32	.12	St. Anthony	16,168	.15	.16	.15	.15¾
No	6.90	2.80	Sudbury Basin	3,365	3.00	3.35	3.00	3.35
1	.40½	.12	Sudbury Contact.	4,900	.15	.17	.16	.17
1	2.25	.84	Sullivan Cons.	39,176	.95	1.15	1.10	1.10
1	4.80	2.67	Sylvanite	28,770	2.80	3.05	2.90	2.98
1	.29	.03½	Tashota	46,099	.04	.06	.03½	.04
1	6.10	4.55	Teck Hughes	10,030	4.85	5.10	4.85	4.95
1	2.15	.32	Thomp Cadillac	20,550	.34½	.40	.38	.38
1	.65	.20	Temiskaming	53,240	.25	.32	.25	.25
1	4.60	1.80	Toburn Gold	3,770	2.20	2.60	2.25	2.60
1	2.00	.60	Towagmac	14,750	.66	.77	.67	.72
1	2.60	.35	Treadwell	800	.40	.35	.35	.35
1	1.10	.50	Uchi Gold	6,000	.70	.75	.70	.71
No	9.10	5.25	Ventures	3,837	5.75	6.25	5.75	6.00
No	4.65	1.78	Waite Amulet	19,782	2.15	2.20	1.78	2.05
No	.05	.01½	White Eagle	2,100	.02	.01½	.01½	.01½
1	.30	.08	Whitewater	10,500	.09	.09	.08	.08
1	.17	.03½	Wiltsey Coughlan	1,100	.03½	.05	.04	.05
1	.77	.24	Wood Cadillac	29,700	.28	.33	.27	.32
No	8.20	5.85	Wright-Hargreaves	21,704	6.35	6.85	6.40	6.70
No	.53	.20	Ymir Girl	44,050	.24½	.32	.25½	.27

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close Sept. 27 (or last)	High for week	Low for week	Close Oct. 4
No	.20	.10	Acme Gas & Oil	2,600	.10	.11½	.10	.11
†	.95	.25	Alta. Pac. Cons.	3,300	.28	.33	.27	.33
No	1.50	1.00	Anglo C. Develop	950	1.20	1.15	1.00	1.00
1	.57	.22½	Ajax	2,200	.27	.29	.28	.29
1	1.10	.20	Br. Dominion	......	(... bid .24½ asked)			
No	.65	.33	Brown Oil	9,200	.37	.40	.35	.38
...	75.00	75.00	Do. pref.	15	.....	75.00	75.00	75.00
No	6.55	1.45	Calgary & Ed.	9,400	1.75	1.86	1.70	1.86
1	1.75	.33	Calmont	5,141	.34	.42	.33	.39
No	.95	.18½	Common Pete	100	.18½	.20½	.20½	.20½
No	3.60	.48	Dalhousie	7,700	.53	.61	.50	.60
No	.40	.23	Davies Pete	20,800	.26	.31	.28	.29
No	.45	.10	Eastcrest	4,600	.12½	.14	.12½	.13½
25c	.25½	.13	Firestone Pete	......	(... bid .15 asked)			
No	3.25	.44	Foothills	2,550	.45	.55	.47	.55
No	1.20	.17	Foundation Pete.	4,700	.18	.21	.20	.20
No	.36	.15	Hargal	1,000	.15	.21	.21	.21
No	.19	.12	High Sarcee	3,700	.12½	.15	.12	.13
No	4.05	1.10	Home	27,310	1.19	1.35	1.19	1.26
1	.87	.30	Homestead O.&G.	4,200	.34	.38	.35	.35
No	.70	.35	Hunter Valley	......	(.15 bid ... asked)			
No	.16	.05	Do warrants	......	(... bid .08 asked)			
No	.90	.10	Lowery	......	(.10 bid .15 asked)			
No	.63	.20	Mercury	5,000	.20	.22	.20	.20
No	.44	.14½	McD. Segur Ex.	100	.17	.17	.17	.17
No	.39	.06	Merland	1,000	.07	.07½	.07	.07
1	1.15	.37	Model	200	.37	.45	.45	.45
25c	.56	.24	Monarch Royal	3,600	.24	.27	.24½	.24½
5	.49	.14	Nordon	1,800	.20	.20	.18½	.18½
No	.12	.04	Oil Selections	4,000	.04½	.04	.04	.04
No	4.10	.85	Okalta	1,100	.90	1.05	.90	.98
No	.12	.02	Olga Gas & Oil	3,500	.03	.03½	.03	.03
1	.43½	.10	Pac. Alta	43,550	.16	.18	.14	.15
1	.70	.60	Petrol Oil & Gas	......	(.53 bid .60 asked)			
25c	.30	.14	Prairie Royalties	3,000	.16	.16	.15½	.15½
No	60.00	30.00	Royalite	3,910	33.00	36.25	33.00	35.00
No	2.00	.40	South West Pete.	......	(.45 bid .60 asked)			
No	.19	.10	South End	500	.12	.10	.10	.10
1	.63	.22	Spooner	......	(... bid .25 asked)			
No	2.35	1.25	Texas Can.	6,020	1.35	1.55	1.40	1.50
No	.70	.13	United Oil	5,721	.14	.16	.15	.15
No	2.25	.85	Vulcan	300	.95	1.05	.85	1.00
No	.36½	.25	Westflank	3,000	.31	.25	.25	.25

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1937 High	Low	Company	Sales	Close Sept. 27 (or last)	High for week	Low for week	Close Oct. 4
50c	.15	.05½	Aztec	1,000	.06½	.06	.06	.06
20c	.04	.01	Beaver Silver	......	(.01 bid .01½ asked)			
1	.70	.41½	Big Missouri	2,500	.44	.47	.44	.44
25c	.07½	.01½	Bluebird	12,000	.01½	.01½	.01½	.1½
No	9.00	6.10	Bralorne	4 417	7.40	8.00	7.50	8.00
1	.07½	.02	Bridge River Cons.	......	(.03 Sept. 17)			
50c	.19	.05	B.R.Mountain Gold	.....	(.05 Aug. 12)			
1	.40	.08	B.C. Nickel	5,800	.12½	.12	.11	.11
1	3.85	1.50	B.C. Silver	100	2.00	2.05	2.05	2.05
50c	.04½	.02	Canadian Rand	......	(.02 July 20)			
1	1.79	1.43	Cariboo Gold	3,100	1.45	1.52	1.45	1.50
1	.14	.02½	Congress Gold	5,000	.02¾	.04	.02¾	.03½
25c	.05	.01	Cork Province	......	(... bid .01½ asked)			
No	.28	.11	Dentonia	8,800	.12	.13	.12½	.12½
1	.05	.02½	Dunwell	......	(.02½ bid .02½ asked)			
No	.18	.05	Fairview Ama.	18,050	.05	.05½	.05	.05
1	.06¾	.01¼	Federal Gold	......	(.01¼ bid .02 asked)			
1	1.43	.30	George Copper	300	.30	.30	.30	.30
50c	.06½	.02½	George Enterprise	......	(.01½ bid ... asked)			
1	.05	.01½	Georgia River	3,000	.01½	.01½	.01½	.01½
1	.29	.05	Golconda	3,250	.05½	.06½	.05½	.06½
50c	.37	.11½	Gold Belt	4,900	.24	.29	.23½	.29
50c	.43	.02	Gold Mountain	2,500	.02½	.02½	.02½	.02½
50c	.30	.11½	Grandview	7,450	.14	.16½	.13½	.16
1	.18½	.06	Grull Wihksne	800	.08	.08	.08	.08
No	.05	.00½	Haida Gold	......	(... bid .01½ asked)			
No	.13	.02	Hedley Sterling	......	(.02 Aug. 4)			
No	.04½	.01¼	Home Gold	27,500	.02	.02½	.01¼	.02½
1	.08	.01½	Indian Mines	1,000	.01½	.01½	.01½	.01½
50c	1.18	.55	Island Mountain	3,650	.65	.82	.72	.82
1	.24	.21	Inter'tl Coal	300	.21½	.21	.21	.21
1	.06½	.03	Inter'tl God	......	(.03 June 19)			
50c	1.15	.71	Kootenay Belle	1,445	.95	1.05	.90	1.05
20c	.07	.01½	Koot. Florence	5,000	.01½	.01½	.01½	.01½
1	.03½	.00¾	Lakeview	7,000	.01½	.01½	.01	.01½
10c	.19½	.02½	Lucky Jim	236,500	.02¾	.05¾	.02½	.02¾
No	.07½	.02	Mak Siccar	......	(.01½ bid .02 asked			
1	.20½	.18	McGillivray Creek	1,000	.20½	.20	.20	.20
50c	.06½	.01	Meridian Min.	......	(.01½ Sept. 14)			
25c	.17	.02¾	Metaline	......	(.08 Sept. 22)			
No	.38	.06	Minto Mines	111,550	.08	.08	.06	.06½
50c	.15½	.04	Nicola	12,700	.05	.05	.04¾	.04¾
50c	.17	.04½	Noble Five	14,200	.04½	.05½	.04½	.05½
1	6.75	2.55	Pend Oreille	3,060	2.75	2.95	2.65	2.90
No	.07½	.02	Pilot Gold	5,500	.02	.02½	.02	.02
1	6.75	3.25	Pioneer Gold	2,790	3.30	3.80	3.35	3.65
50c	.15	.04	Porter Idaho	1,500	.04	.05	.04½	.04½
No	.06½	.01	Premier Border	4,000	.01½	.01½	.01½	.01½
1	4.80	1.95	Premier Gold	13,686	2.23	2.59	2.20	2.20
1	.15	.03	Quatsino Copper	6,000	.03½	.04	.03½	.03½
25c	.17	.07	Quesnelle Quartz	7,500	.07½	.08	.07	.08
1c	.05½	.01¼	Reliance	9,500	.01¼	.01¼	.01¼	.01¼
1	.37	.12	Relief Arlington	1,600	.17	.20	.18	.18
No	1.90	.52	Reeves McDonald.	17,200	.54	.62	.52	.54
1	1.31	.75	Reno Gold	800	.79	.80	.77	.77
1	.20½	.06	Reward Mining	6,800	.06½	.08	.06½	.08
1	.09½	.02	Rufus Argenta	......	(.01¼ bid ... asked)			
1	.11½	.01¼	Ruth Hope	2,500	.02	.02	.02	.02
1	.12	.04	Sally Mines	......	(.05 Sept. 11)			
50c	.15	.05½	Salmon Gold	4,500	.05½	.06½	.06½	.06½
50c	.95	.58	Sheep Creek	21,050	.87	.94	.89	.94
1	3.20	2.10	Sihak Premier	691	2.50	2.15	2.10	2.10
25c	.14½	.04	Silvercrest	......	(.04 Sept. 23)			
20c	.10	.01	Silversmith	13500	.01½	.02	.01½	.02
1	.63	.36	Standard Silver	......	(.36 Sept. 7)			
1	.75	.20	Sunloch	......	(.18 bid .20 asked)			
10	21.00	19.75	Sunshine	......	(.19.75 Apr. 6)			
No	.13	.04	Taylor Bridge	......	(.03½ bid ... asked)			
No	1.05	.27	Vidette Gold	2300	.29½	.30	.27	.30
No	.06½	.00½	Viking Gold	11,000	.01	.00½	.00½	.00½
50c	.03	.00½	Waverley Tangier	......	(.00½ bid .00½ asked)			
20c	.13½	.02½	Wellington	19,000	.02½	.02½	.02½	.02½
50c	.50	.14	Wesko	3,700	.14½	.15	.14½	.15
1	.42	.08½	Whitewater	16,000	.08½	.09	.08½	.08½
No	.50	.21½	Ymir Yankee Girl	......	(.24 bid .29 asked)			

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close Sept. 27 (or last)	High for week	Low for week	Close Oct. 4
1	1.09	.26	Alta. Pac. Cons.	8,320	.29	.33	.29½	.32
1	.14½	.05	Amalgamated	4,800	.07½	.08	.07½	.07½
No	.45	.05	Associated Oils	......	(... bid .15 asked)			
1	.64	.07	Anaconda	2,708	.08½	.09	.08½	.08½
No	.24	.03	Baltac	......	(.02 bid ... asked)			
1	1.05	.15	Brit. Dominion	......	(.10 bid ... asked)			
1	.80	.18	Commonwealth	8,600	.20	.24	.21½	.24
No	6.50	1.45	Calgary & Ed.	7,586	1.80	1.88	1.65	1.88
1	1.84	.32	Calmont	1,500	.35	.40	.36	.40
1	.13	.04½	Crow's Nest	7,900	.06	.06½	.06½	.06½
No	3.55	.45	Dalhousie	......	(.58 bid ... asked)			
No	.36	.25	Davies Pete	4,000	.25	.28½	.27	.28½
No	.45	.12	Eastcrest	......	(.12 Sept. 23)			
No	.96	.17	Foundation Pete.	1,300	.19	.20	.19	.20
No	.44	.04½	Freehold	12,500	.05½	.06	.05½	.05½
No	.40	.10	Hargal	1,100	.20½	.21	.18	.21

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Oct. 5, 1937

Public Utility Issues	Int. Rate %	Due	Bid Oct. 5	Asked	Bid Sept. 28
‡Assoc. Tel. & T.	5½	'5'	77	82	77
▲Avalon Tel.	5½	'48	101	...	101
Beauharnois P.	5½	'73	61	64	60
‡Bell Telephone	5	'55	111½	114½	111
‡Do.	5	'57	115½	118½	115½
B. C. Power	4½	'60	98½	101½	98½
B. C. Tele.	4½	'61	104	107	103½
†Can. Nor. Pwr.	5	'53	103	106	103
‡Dom. Gas & El.	6½	'45	77	82	78
‡Gatineau Pwr.	5	'56	101	104	99½
‡Do., A	6	'41	98½	101½	98½
‡Do., B	6	'41	98	101	98½
Gt. Lakes Pwr.	4½	'56	93	96	93
‡Inter. Hydro-E.	6	'44	71	74	72
‡Inter. Power	6	'57	97½	100½	98
‡Do.	6½	'57	98½	101½	99
▲Do.	6	'55	100½	103½	100½
†Macl'n-Que. Pr.	5½	'61	99	102	98½
†Do.	5½	'64	98	101	98
Marit. T. & T.	4	'67	99½	...	...
†Mtl. Island Pr.	5½	'57	103	106	103
†Mtl. L., H. & P.	3½	'56	99	102	98½
†Mtl. Tramways	5	'41	100	103	99½
†Do.	5	'55	76	79	76
Nfld. L. & P.	4½	'56	97½	...	97½
N. S. L. & Pr.	4	'57	98	...	97½
†Ot'wa L. H. & P.	5	'57	103½	106½	103½
†Ottawa V. Pwr.	5½	'70	104	107	103½
†Power Corp.	4½	'59	97½	100½	95½
‡Que. Pwr.	4	'62	94½	97½	...
Saguenay P., B	4½	'66	102	105	102½
*Do., A	4½	'66	100½	103½	100½
†Shaw. W. & Pr.	4	'61	97	100	96½
†Do.	4½	'70	102	105	101½
†United Secs.	5½	'52	68	73	68
‡Wpg. Elec., A	4	'65	68	71	65½
‡Do., B	4	'65	56	59	...
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	81	84	79
Acadia Sugar	4½	'55	100	...	98½
B. A. Oil	4	'45	102	105	101½
Brown Co.	5½	'46	81½	84½	83½
Burns & Co. (Bundles)	5	'58	...	...	...
Canada Bread	6	'41	107½	110½	107½
†Canada Cement	4½	'51	99½	102½	98½
†Canada Paper	4½	'52	96	99	94
Can. Steamship	5	'57	75½	78½	75
Can. Canners	4	'51	98½	101½	98½
Can. Bakeries	6½	'45	99½	102½	99½
‡Can. Inter. Pap.	6	'49	99	102	97½
C. P. R.	3½	'51	92½	95½	92½
Do.	4	'49	97½	100½	97½
Do.	4½	'44	99½	102½	99½
Do., debs.	4 perp.		89½	92	89½
†Can. Vickers	6	'47	90	93	90
†Consol. Paper	5½	'61	74½	77½	74
Dom. Tar	4½	'51	99½	102½	99
†Donnacona P.	4½	'56	82½	85½	80
†Famous Players	4½	'51	94	97	94
†Fraser Cos.	6	'50	102½	105½	102½
†Gen. Steel W.	4½	'52	93½	96½	93½
Great Lakes P.	5	'55	95	98	92
†Gypsum, Lime.	5½	'48	100	103	100
†Gr. Br. & Can. Invest.	4½	'59	76	79	77
Ham. By-Prod. Coke	5	'50	97½	100½	97½
†Inter. Paper	6	'55	90	93	84
†Inter. P. & P. Nfld.	5	'68	100	103	99
Inter City Bak.	5½	'48	101	104	101
†Kingston Elev.	6	'50	95	98	94
Lake St. John P. & P.	5½	'61	99½	102½	99
Do.	5	'61	75	78	75
†Lond. Can. Inv.	4½	'48	92½	95½	92
†Massey-Harris	5	'47	92½	95½	92½
†McColl-Front.	6	'49	103	106	103
†Mersey Paper	6	'49	99½	102½	99
Nat'l Grocers	4	'47	100	103	100
Nor. Ont. Bldg.	6½	'39	95	98	95
†Price Bros.	5	'57	98	101	97
‡Prov. Paper	5½	'47	101	104	101
Queen's Hotel	6	'47	97½	100½	98
†Restiguoche C.	6	'48	99	102	110½
†Rolland Paper	4½	'51	102½	105½	102½
Ruddy & Co.	6½	'48	98	101	98
†Simpsons Ltd.	4½	'51	94	97	93½
†Smith, Howard	4½	'51	98½	101½	98½
†Steel of Canada	6	'40	109	112	109
Sterling Coal	6	'40	94	97	94
*Twin City	5½	'52	68½	71½	64
United Amuse.	5	'56	97½	100½	97½
United Corp.	5	'53	95½	98½	95
Union Gas	4½	'50	97½	100½	97½
Windsor Hotel	6½	'43	80	83	81½
Do.	6	'47	40	43	41

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Mining Dividends

	Rate	Close Oct. 4	Yield %
Anglo-Huronian	20c	4.95	..
Beattie Gold	5c	1.15	..
Bralorne	40c+35c	7.75	*9.7
Buffalo Ankerite	50c+12½c	10.50	*5.9
Bulolo Gold	‡1.50	23.00	..
Can. Malartic	†5c	1.12	..
Cariboo	10c	1.50	6.7
Central Patricia	8c	2.30	..
Coniagas	12½c	2.00	..
Coniaurum	5c	1.23	..
Cons. Smelters	50c+$1	62.50	*2.4
Dome Mines	$4+$2	43.00	*14
Falconbridge	30c	5.95	5
Hollinger	65c+25c	12.65	7.1
Howey Gold	4c	.32	..
Hudson Bay	75c	22.00	..
Island Mountain	‡5c	.82	..
Inter. Mining	45c	9.00	..
Inter. Nickel, com.	$2	51.50	3.9
Kerr Lake	5c	.37	..
Kirk. Lake	9c	1.33	..
Lake Shore	$4+$1	50.00	*10
Lava Cap. M.	10c	.90	..
Little Long Lac	30c	5.00	..
Macassa	15c	5.15	2.9
McIntyre	$2	37.12	5.4
McKenzie Red Lake	4c	1.17	..
McKinley Sec.	5c	.45	..
Noranda	‡$1.75	50.00	3.5
Nor. Can. Mining	6c	.72	..
Nipissing	37c	2.15	..
Placer Develop.	‡60c	13.00	..
Premier	12c+4c	2.20	*7.2
Pioneer, B.C.	40c	3.60	11.1
Pickle Crow	40c	5.25	7.6
Reno	12c	.80	15
San Antonio	7c	1.45	..
Sheep Creek	8c+2c	1.00	*10
Siscoe	20c+1c	3.35	*6.2
Sudbury Basin	†10c	3.35	..
Sullivan Cons.	5c	1.10	..
Sylvanite	20c+5c	2.98	*8.4
Teck-Hughes	40c+5c	4.95	*9.1
Toburn	8c	2.60	3.1
Ventures	†12½c	6.00	..
Wright-Harg.	40c+30c	6.70	*10.4

‡Interim. †Initial.
*Yield includes bonus.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Oct. 5, 1937

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, pfd.	4.00	4.75
Acme Farmers Dairy, pfd.	32.50	37.00
Algoma Steel, com.	11.00	12.00
Do., pfd.	65.00	69.00
Andian Nat.	47.50	49.00
Assoc. Tel. & Tel., pfd.	38.50	40.00
Barrymore Cloth, pfd.	25.00	29.00
Brandram-Henderson, com.	5.25	6.00
Do., pfd.	20.50	....
British N. A. Airways	4.00	....
B. C. Pulp & Paper, com.	31.00	34.00
Do., pfd.	95.00	98.00
Burns & Co., A	7.00	8.50
Do., B	2.25	3.25
Can. Airways	3.75	5.00
Can. Industries, A com.	218.00	....
Can. Ingersoll Rand	127.50	131.00
Can. Tube & Steel, com.	6.00	8.00
Do., 1st pfd.	90.00	102.00
Can. Westinghouse	57.00	59.00
Chase, A. W., pfd. bonus	25.00	....
Claude Neon, pfd.	7.75	10.50
Conduits Nat., com.	4.25	4.75
Dominion Woollens, pfd.	....	3.25
Dunlop Tire, pfd.	88.00	91.00
Federal Grain, pfd.	26.00	30.00
Goderich Elevator	4.00	5.00
Guelph Carpet, pfd.	105.50	107.00
Do., com.	23.50	28.00
Hayes Steel Prod., com.	7.00	7.75
Do., pfd.	7.50	8.50
Highland Dairy, pfd.	78.00	84.00
Huether Brewing, pfd.	2.00	....
Kingston Shipbuilding Units	6.50	....
Loblaw's Inc. (U.S.) Units.	83.00	86.00
McCormick's, com.	4.00	5.00
Do., pfd.	12.00	....
Morrison Brass, pfd. bonus.	9.00	11.00
Mount Royal Hotel, pfd.	3.85	4.50
New Meth. Laund., pf. bon.	91.50	94.50
Paterson, Wm., pref.	100.00	....
Perfection Pete., pfd.	20.50	22.00
Provincial Paper, pfd.	106.50	107.75
Reliance Grain, pfd.	....	81.00
Rob. Consol. Cone	9.75	10.50
Ruddy, E. L., pfd.	....	22.50
Seal O Sac (Can.)	7.50	9.00
Standard Fuel, com.	4.00	5.50
Do., pfd.	83.00	89.00
Supertest Pet., B pfd.	26.50	28.50
Toronto Carpet, com.	53.50	57.00
Do., pfd.	58.00	62.75
United Steel, A pfd.	16.50	17.50
Viceroy Mfg., pfd. & rts.	15.50	18.50
Western Grain, pfd. bonus.	4.00	6.50
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	.80	1.00
Zellers Ltd., pfd.	84.50	....
Trust & Loan Stocks:		
Chartered Trust	98.00	....
Commercial Finance, com.	2.50	3.00
Guelph Ont. Inv., par $50	48.50	52.00
London & West. Trust	50.00	55.00
Prudential Trust	6.00	....
Sherbrooke Trust	120.00	....
Sterling Trust	41.00	....
Traders Fin., A com.	13.00	16.00
Do., Inc. rights	10.00	13.00
Do., B pfd. bonus	90.50	95.00
Trusts & Guarantee	26.00	28.00
Insurance Stocks:		
Canada Life	530.00	539.00
Canadian Ins. Shares	17.00	....
Confederation Life 20% pd.	114.00	118.00
Dominion Fire	130.00	....
Dom. of Can. Gen.	122.50	127.00
Empire Life 25% pd.	12.50	13.50
Federal Fire 25% pd.	42.00	....
Great West Life	315.00	330.00
Guar. of N. A., fully pd.	315.00	330.00
Do., 20% pd.	60.00	....
Halifax Fire	23.00	24.00
Imperial Life	335.00	356.00
Manufacturers Life	250.00	265.00
Monarch Life 10% pd.	24.00	28.00
Sovereign Life 25% pd.	15.00	16.50
Sun Life (Div. $15)	535.00	560.00
Western Assce., pfd.	39.50	42.00
Theatre Stocks:		
Allens Kingston, pfd.	60.00	....
Do., St. Catharines, pfd.	58.00	....
Do., Tor. pfd. bonus com.	29.00	31.50
Loew's London, pfd.	2.25	3.00
Mansfield Theatre, pfd.	24.00	28.00
Paramount Kitchener, pfd.	55.50	60.00
Do., Oshawa, pfd.	87.50	93.00
United Amusement, A, V.T.	17.00	20.00
Do., B	17.00	20.00
Investment Trust Shares:		
Can. Gen. Invest.	8.00	8.75
Can. Investment Fund	3.90	4.30
Can. Investors Corp.	7.00	8.00
Cons. Div. Std. Sec., com.	.25	....
Do., pfd.	15.00	....
Invest. Found., pfd. bonus	55.00	58.00
Lon. Can. Invest., com.	3.00	4.90
Sec's. Hold., pfd. bonus	19.00	21.50
United Corpns., A	23.50	24.25
Do., B	....	19.00
Power Issues:		
Can. West. Nat. Gas, com.	25.00	27.00
Do., pfd.	83.00	86.75
Foreign Power Sec's., pfd.	6.00	8.00
Great Lakes Power, pfd.	99.50	....
Inter. Util., $1.75 pfd.	10.50	14.00
Do., $7 pfd.	94.00	....
Montreal Island Pwr., pfd.	15.00	18.00
New Brunswick Tel., com.	13.50	14.25

Winnipeg Stocks

(Transactions from Sept. 26 to Oct. 2)

	Sales	High for period	Low for period	Close Oct. 2
Flin Flon	2,100	.05½	.05	.05
Knee Lake	500	.02	.02	.02
Gt. Falls M. & S.	500	.04	.04	.04
Gurney	8,800	.29	.26	.29
Marvel Oils	155,000	.05½	.05	.05½
Monarch Life	35	25.00	25.00	25.00
Monarch Gold	500	.90	.75	.90
Packsack	2,300	.10	.09	.09
Sachigo River	125	13.00	12.00	13.00
United Grain	18	8.00	7.50	7.50
West. Steel, pf.	10	13.75	13.75	13.75
Wylie Dom.	15,000	.25	.20	.25
Wingold	2,000	.03	.03	.03
Wallace Lake	500	.01½	.01½	.01½
Wpg. R. Tin	500	.02	.02	.02

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Federal Grain, com.	..	4
Federal Grain, pref.	..	35
Home Investment	..	23
Northern Can. Mtge., pf.	3	..
Northern Trust	8	8¾
North. Mtge., par paid	..	2
Reliance Grain, pf.	..	86
West. Breweries	1	..

*Stocks more active on other exchanges not included.

Listed Bonds

Week Ended Oct. 4

	Int. rate	Due	High	Low	Range 1937 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	50½	50½	50½

Unlisted Mines

Oct. 5, 1937

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Ansel	..	.43	Gate. Pat.	.04	.06	O'Leary	.05	.06
Albany R.	.58	.60	Gilbec	.01½	.02½	Opem. Copper	.07	.09
Algold	.35	.37	Gold Range	.02½	.03½	Oriole	.05½	.06½
Altura	..	.08	Goldside	.03	.03½	Ossian	.01½	.02
Armistice	.06	.08	Gold. Gate	.48	.50	Pascallis	.35	.38
Arno	.02½	.03½	Gordon Lebel	.07	.07½	Porc. McNabb	.02½	.03
Athona	.12	.15	Gull Kirk.	.01	.01½	Porc. United	.05½	.06
Area	.02½	.03½	Hudson Pat.	.04	.04½	Plains P.	2.90	3.10
Augite	.10	.14	Hislop	.05	.06	Porc. R. G.	.01	.01½
Bailor	.01	.02½	Horseshoe	.01½	.01½	Potterdoal	.01½	.02½
Baldwin	.01½	.02	Hutch. Lake	.10½	.11½	Porc. Triumph	.06	.09
Barb. Lar.	.10½	.11½	Hugh Pam.	.06½	.07½	Pontiac	.10	.11
Bear	.20	.23	John Nip.	.02	.03	Pelangio	.06	.07
Big Master	.04	.05	Kaw Crow	.04	.06	Propri'y	1.30	1.35
Bilmac	.07	.09	Kenecho	..	.08	Que. Manitou	.51	.54
Cuniptau	.04½	.05½	Kenricia	.29	.34	Rajah	.04	.05
Calder B.	.07	.07½	Kewag'a	.22	.26	Ribago old	.02½	.04
Callinan F. F.	.03	.04	King Kirk.	.01	.02	Do., new	.13	.14
Can. Pan.	.08	.09	Kirk-Vit.	.07½	.08½	Rouyn R.	.03	.03½
Can. Kirk.	.01½	.02	Kirk. Hunton	.03	.04	Rubec	.01½	.02½
Candalaca	..	.35	L. Rowan	.28	.30	Sand River	.23	.25
Chester	.95	1.05	Lafayette	.02½	.03½	Shenango	.12	.14
Coin Lk.	.05	.07	L. Geneva	.43	.45	Siscoe	.16½	.17
Condor old	.02½	.03½	Lamaque	6.10	6.35	Smelter	.01½	.02½
Cont. Kirk.	.25	.27	Lardego	.06½	.07½	Spooner	..	.09
Cooke Lk.	.29	.30	Magnet L.	.08	.09½	Sturgeon R.	.20½	.23
Coulson	..	.06	Magnet C.	.21	.25	Springer	.07	.09
Cres. Kirk.	.03	.04	Malartic	.22	.25	Straw Lake	.15	.16
Dawson	.07½	.08½	M'waki	1.50	1.55	Sun Bear	..	.15
Denison	.30	.32	Mart. McNeely.	.03	.04	Tonawanda	.02½	.03½
Desantis new	.22	.25	Martin Bird	.41	.43	Tripple Lake	.30	.35
Doreva	.12	.14	Margaret	.19	.21	Upper Can.	.20	.22
Delosha	.17	.19	Mata Cn.	.09	.11	Wascana	.09	.11
Dunlop new	.06	.06	Moffatt new	.05	.07	Wendigo	.21	.23
El. Bona	.07	.09	MacFarlane	.06	.09	Wesley	.13	.14
Elec. Porc.	.06	.08	McCarthy	.15	.18	Westside	.04½	.05½
Eva Lake	.06	.07	McVittie Kirk.	.03	.03½	West R. L.	.01½	.02½
Elmos	.08	.10	Monarch	.03½	.04½	White H.	.11	.13
Faulk'm	..	.30	Mooshla	..	.10	Williamson	.07½	.08½
Fernland	.17	.19	Mosher	.16	.17	Winoga	.09	.11
Fleming	..	.17	Norlake	.05½	.07½	Woco	.18	.20
Frontier	.06	.08	North Shores	.01½	.02½	Young D.	.25	.27
Galatea	.01	.01½	Oklend	.14	.15½	Ypres C.	.10	.12
Garnet	.01½	.02½	Old Diamond	.03	.03½			

Government Bonds

Dominion of Canada Bonds

Oct. 6, 1937

		Bid	Asked	Approx. Yld.
2	15 Nov. '39	100.75	101.25	1.41
2½	15 Oct. '39	101.75	102.25	1.40
4	15 Oct. '39	104.50	105.00	1.38
1½	1 June '40	99.25	100.00	1.50
4½	1 Sept. '40	106.75	107.25	1.93
1	15 Mar. '41	97.25	97.75	1.67
5	15 Nov. '41	109.75	110.25	3.28
3	15 Oct. '42	103.00	103.50	2.26
2½	1 June '43	100.65	101.15	2.28
5	15 Oct. '43	111.25	111.75	2.87
4½	15 Oct. '44	109.65	110.15	2.90
2½	15 Aug. '45	99.25	99.75	2.53
3¼	15 Oct. '45	106.00	106.50	▲2.82
4	1 Feb. '46	109.65	110.15	3.11
4½	1 June '49	100.65	101.15	▲3.10
3¾	15 Oct. '49	101.75	102.25	▲3.13
3½	15 Oct. '52	105.75	106.25	▲3.29
3	1 June '55	96.15	96.65	3.25
4	1 Nov. '56	109.00	109.50	▲3.32
4½	1 Nov. '57	109.00	109.50	▲3.42
4½	1 Nov. '58	109.65	110.15	▲3.42
4½	1 Nov. '59	109.85	110.35	▲3.47
3	15 Jan. '61	99.00	99.50	3.28
3¼	1 June '66	98.15	98.65	3.32
3	Perp. bds.	87.15	87.65	3.42

Dominion Guaranteed Bonds

Canadian National Railway:

		Bid	Asked	Approx. Yld.
	1 May '44	101.00	102.00	2.67
3	15 Dec. '50	95.75	96.75	3.30
3	15 Feb. '53	95.00	96.00	3.33
*4½	1 Sept. '51	112.25	113.25	3.31
*4½	1 Feb. '56	112.75	113.75	3.48
†4½	1 July '57	112.00	113.00	3.60
*4½	15 June '55	115.25	116.25	3.53
5	1 Feb. '54	116.25	117.25	3.60
*5	1 July '69	115.25	116.25	▲3.01
*5	1 Oct. '69	117.50	118.50	▲3.44

Provincial Government Bonds

		Bid	Asked	Approx. Yld.
New Brunswick:				
	1 Sept. '54	99.00	101.00	3.92
4	15 Apr. '61	104.00	105.50	4.12
†5	15 Jan. '60	107.50	109.50	4.33
Nova Scotia:				
3	2 Sept. '45	97.00	98.50	3.21
4½	15 May '43	106.00	107.50	3.05
†4½	15 Sept. '52	108.00	109.00	▲3.43
†5	1 Mar. '60	115.50	117.50	3.83
Ontario:				
3	1 Dec. '51	95.25	96.25	3.32
*4	1 June '62	105.50	106.50	3.60
4½	1 June '50	110.00	111.00	3.44
*4½	15 Jan. '62	114.00	116.00	3.52
5	15 Oct. '48	114.00	115.00	3.41
*5	2 Dec. '60	118.50	120.00	3.72
5½	1 July '46	115.50	116.50	3.33
Ont. Hydro Comm.:				
3½	1 Apr. '47	102.00	103.00	3.15
4½	1 Jan. '70	116.00	117.00	3.83
Prince Edward Island:				
3	1 Oct. '45	97.00	98.50	3.19
Quebec:				
4	15 Mar. '52	105.00	106.25	3.45
4¼	1 Aug. '58	108.25	109.75	3.58
4½	2 Jan. '63	110.50	112.00	3.77
Alberta:				
4	15 Dec. '54	52.00	55.00	§
†4	1 Dec. '57	52.00	55.00	§
4½	1 Oct. '51	60.00	64.00	§
†4½	1 Oct. '56	55.00	57.00	§
†5	1 Jan. '48	56.00	58.00	§
5	1 Sept. '55	56.00	58.00	§
*5	1 Oct. '59	56.00	58.00	§
†5½	1 Jan. '47	58.00	60.00	§
6	1 Mar. '47	63.00	65.00	§
British Columbia:				
†4	1 Dec. '57	90.00	92.00	4.60
*4½	15 Jan. '51	97.75	98.75	4.62
†4½	1 Oct. '53	96.25	97.25	4.75
†5	15 Jan. '48	100.00	101.00	4.87
5	1 Sept. '53	100.00	101.00	4.91
5½	1 Feb. '45	101.00	102.00	5.17
6	15 Feb. '47	103.00	104.00	5.45
Manitoba:				
4	2 Jan. '50	83.00	85.00	5.69
†4	1 Dec. '57	83.50	85.50	5.15
†4½	15 Dec. '56	86.00	87.60	5.55
†5	15 June '54	91.00	93.00	5.64
*5	2 Dec. '59	92.00	94.00	5.47
5½	1 Oct. '55	94.50	96.50	5.82
6	1 Apr. '47	97.00	98.50	6.20
Saskatchewan:				
4	15 Aug. '53	64.50	66.50	7.66
4	1 Nov. '60	62.00	64.00	7.11
*4½	2 July '45	74.00	77.00	8.60
†4½	1 Oct. '51	75.00	78.00	6.99
†4½	15 Mar. '60	69.00	72.00	6.98
5	1 Aug. '58	73.00	75.00	7.35
†5½	15 Nov. '46	75.00	79.00	8.90
5½	1 Oct. '52	74.00	77.00	8.18
6	15 Mar. '52	77.00	80.00	8.41

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Assoc. Tel. & T., pf.	49c	Nov. 15	Nov. 1
Do., special	98c	Oct. 25	Oct. 11
Do., 6% pref.	42c	Nov. 15	Nov. 1
Do., special	84c	Oct. 25	Oct. 11
Barker's Bread	8c	Oct. 8	Sept. 23
Bell Telephone	$2	Oct. 15	Sept. 23
Brantford Cord., pf.	32½c	Oct. 15	Sept. 20
Can. Gen. Invest.	12½c	Oct. 15	Sept. 30
Can. Nor. Pwr., pf.	$1.75	Oct. 15	Sept. 30
Can. Industries	$1.75	Oct. 30	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Breweries, pf.	50c	Oct. 15	Sept. 30
Can. Bronze	37½c	Nov. 1	Oct. 20
Do., pref.	$1.25	Nov. 1	Oct. 20
Can. Fairbanks, pf.	$1.50	Oct. 15	Sept. 30
Comm. Alcohol, pf.	*10c	Oct. 15	Oct. 1
Coast Breweries	30c	Nov. 1	Oct. 12
Dome Mines	$1	Oct. 20	Oct. 4
Dom. Foundries	25c	Oct. 15	Sept. 30
Gt. Lakes Power, p.	$1.75	Oct. 15	Sept. 30
Gould Pumps, pfd.	‡$2	Oct. 15	Oct. 1
Imp. Bank	$2.50	Nov. 1	Sept. 30
Invest. Found., pfd.	50c	Oct. 15	Sept. 30
Do., arrears	25c	Oct. 15	Sept. 30
Inter. Milling, pf.	$1.25	Oct. 15	Oct. 14
Inter. Nickel, pf.	$1.75	Nov. 1	Oct. 2
Kelvinator, pfd.	$1.75	Nov. 15	Nov. 4
Kirk. Lake	6c	Nov. 1	Oct. 1
Loew's London, pf.	‡35c	Oct. 15	Oct. 2
Maple L. Gardens, pf.	50c	Oct. 15	Oct. 1
Montreal Tele.	80c	Oct. 15	Sept. 30
Montreal Trams.	$2.25	Oct. 15	Oct. 4
Mtl. L. H. & Pr.	37c	Oct. 30	Sept. 30
McColl-Front., pfd.	$1.50	Oct. 15	Sept. 30
Nipissing M.	12c	Oct. 20	Oct. 5
Nat. Steel Car.	50c	Oct. 15	Oct. 8
North. Can. Mining	4c	Nov. 1	Oct. 1
National Biscuit, c.	40c	Oct. 15	Sept. 10
Orange Crush, pf.	35c	Nov. 1	Oct. 15
Penmans	75c	Nov. 15	Nov. 5
Do., pref.	$1.50	Nov. 1	Oct. 21
Power Corp., pf.	$1.50	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 15
Do., extra	1c	Oct. 15	Sept. 15
Regent Knit., c.	†25c	Nov. 1	Oct. 15
Saguenay Pr., pf.	$1.37½	Nov. 1	Oct. 15
Sheep Creek Gold	2c	Oct. 15	Sept. 30
So. Can. Power, c.	20c	Nov. 15	Oct. 30
So. Can. Pwr., pfd.	$1.50	Oct. 15	Sept. 20
Steel of Can.	43¾c	Nov. 1	Oct. 7
Do., pref.	43¾c	Nov. 1	Oct. 7
Sullivan Cons.	2½c	Nov. 15	Oct. 30
Tuckett Tob., pf.	$1.75	Oct. 15	Sept. 20
United Secs.	50c	Oct. 15	Sept. 23
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 20
Wood, A. & J., pf.	‡$1.75	Nov. 1	Oct. 15

*Initial. ‡On arrears. †Interim.

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Oct. 5	46,700	55,000	415,000
Oct. 4	22,500	53,000	326,000
Oct. 2	9,900	39,300	285,000
Oct. 1	28,200	58,800	498,000
Sept. 30	33,300	101,500	752,000
Sept. 29	45,400	54,500	490,000

Municipal Bonds

October 6, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	110.50	112.00	4.20
Hamilton	5	1950	112.50	114.40	3.60
Montreal	5	1945	105.50	107.00	3.90
Ottawa	4½	1945	107.50	109.50	3.10
†Quebec	5	1959	104.50	106.00	4.56
Saint John	5	1950	106.00	107.50	4.26
†Toronto	4½	1955	111.00	113.00	3.50
†Vancouver	5	1950	90.00	94.00	5.67
Winnipeg	5	1944	98.00	102.00	4.64

†Payable Can. and N. Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.75	4.00
Can. Invest. Fund	3.90	4.30
All Can. Trustee	11.25	11.75
Trans Canada	12.95	....
Grouped Income	5.16	5.70
Can. Equity	12.00	....
Can. Int. Tr., modified	5.75	6.25
Do., unmodified	5.25	5.75

Railway Earnings

Canadian Pacific Railways

	1937 $	1936 $	Increase $
August—			
Gross earns.	11,914,929	12,009,638	*94,709
Work. exps.	11,338,316	11,375,153	*36,837
Net earns.	576,613	634,484	*57,871
8 Mos.—	1937 $	1936 $	Increase $
Gross earns.	90,746,718	85,631,414	5,115,303
Work. exps.	80,814,490	77,226,830	3,587,660
Net earns.	9,932,228	8,404,584	1,527,643

*Decrease.

Week in Wheat

New Russian Offerings Blamed For Weakness

Send Prices Down Despite Drought News from Argentine and Australia — Canadian Exports Continue Fair Volume

From Our Own Correspondent

WINNIPEG.—While some of the recent wheat market recession was blamed on forced liquidation in an effort to protect stock market holdings, most of the decline traces to Liverpool. At that point weakness followed a renewal of Russian offerings. Other market news was inclined to be bullish, with both Argentina and Australia reporting lack of moisture.

A fair quantity of export buying continues to be done and high premiums for No. 1 and 2 Northern indicate insistent demand for those grades.

Wheat has been moving fairly rapidly out of terminal elevators down the lakes and it is assumed that most of it is for fairly prompt movement overseas.

Vancouver has been making an occasional sale lately for shipment through the Panama. The fact that Winnipeg futures have not advanced proportionately with Winnipeg cash wheat makes it easier than before for owners of wheat at Vancouver to take in their hedges when they sell, but only wheat actually at that port is being sold, none consigned being from Alberta. Wet weather across the Prairies has been holding up country deliveries.

Record Spread

Small quantities of wheat have been delivered on the October contract since the delivery month opened, but so far these have all been Garnet grades, deliverable at specified discounts. No. 3 Northern has been close to a delivery basis, and some quantities of it may go through the clearing house. Most holders, however, are expected to hold on to supplies, for a week or two at least, in the hope of being able to get something better than the contract basis.

There seems to be no chance of either No. 1 or 2 Northern going through the clearing house this month, in view of the high premium which each of these grades is commanding in the cash market. A spread of 14 cents between No. 2 and 3 Northern is probably the largest, on a percentage basis, that has been known in the Winnipeg market. At four cents under No. 1, No. 2 Northern is occupying about the normal relationship to the higher grade.

The explanation for the keen demand for the top grades is the same as the explanation for the ability of the Winnipeg market to hold a high premium over all other markets. There is only a limited quantity of high protein hard wheat available for world markets, and there is a large supply of inferior wheat to be had much more cheaply. For small quantities of Canadian wheat, recognized as the best in the world for imparting strength to flour mixtures, foreign millers can afford to pay high premiums, and the more they use, the more of the cheaper wheats they can employ. At the opening of the season it was expected that United States hard winter would provide serious competition, but overseas buyers, while they have been able to get some very high quality wheat from the United States, have been badly disappointed with the quality of other shipments.

* * *

Farmers Sell Freely

Recently farmers have been free sellers of hard wheat. Larger proportions of daily deliveries are being disposed of than formerly and, in addition, some grain held from earlier deliveries is also being sold. This would look like sound business if the grower believes prices will move still higher, because by selling now he can get the cash wheat premium and if he purchases the equivalent in May futures participate in possible advances without any storage costs.

Considerable quantities of durum wheat have also been sold by farmers. A market for this has been provided, not by export selling of any considerable quantity, but by dealers and terminal interests. Durum wheat cannot be hedged satisfactorily, as it is not deliverable on futures contracts made on the exchange. Its price relationship, too, varies widely with other wheat, with high premiums in some years, and large discounts in others. Evidently some dealers are taking the stand that the prevailing discounts are as wide as they are likely to be, and the present is a good time to buy.

* * *

Southern Estimates Drop

The past week has seen a tendency to reduce previous estimates of probable wheat production in both Australia and the Argentine, on account of continued dry weather. Previously a consensus of opinion had prevailed that Argentina would probably produce about 200 million bushels, and Australia about 160 millions. This would mean combined export surpluses of approximately 220 millions. Now there are suggestions that in each country production may fall short of previous estimates by 20 million bushels or so, with a combined export surplus of not more than 180 millions. One symptom of the condition in Australia is the reported tendency of farmers to hold on to their remaining supplies of wheat, something that usually occurs whenever prospects for the coming crop are considered to be below average.

Commodities

Weakness continues to feature the commodity markets, with almost all lines in which Canada is interested showing declines. Metals are weaker and so are cotton and rubber. Food products, such as cattle, hogs and sugar, have also eased, though Canadian hard wheat appears to be holding its own. Undoubtedly the firmness of the latter product is largely responsible for the Dominion Bureau of Statistics index holding its own this week while those of the United States and Britain have declined.

Weakness in commodities is attributed largely to the fact that current business, especially in the United States, but to a growing degree here also, is not yet up to earlier anticipations. Consequently inventories of finished goods are probably more than sufficient to cope with current demand. Heavy forward buying last spring, when commodities were sharply rising, probably resulted in some over-accumulation of raw materials, some of which may still have to be worked off.

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$ 9.25	$10.00	$6.20
Hogs	10.85	11.50	8.65
Copper, lb.	.13	.14	.09¾
Cotton, lb.	.0847	.0859	.1245
Rubber, lb.	.1775	.1825	.1647
Sugar, raw, lb.	.0320	.0330	.0335
Silk, lb.	1.77	1.88½	1.72¾
Wheat, Man. (bu.)	1.42¾	1.41⅛	1.09⅝
Coffee, lb.	.09¼	.09¼	.08⅛
Hides	.15¼	.15½	.11¾

Weekly Indices

	Latest week	Previous week	Same week last yr.
N. Y. Annalist*	94.0	94.8	85.0
Fishers'	90.7	92.2	84.0
N. Y. Journal of Comm.	87.2	88.8	82.0
Crumps (Brit.)	81.7	82.3	71.7
U. S. Labor	87.3	87.5	81.5
Canada (D.B.S.)	85.0	84.8	76.6

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Aug.)	83.6	83.0	81.0
W'sale (Aug.)	85.6	87.5	76.1
U. S. (July)	87.9	87.2	80.5
Gt. Brit. (July)	111.5	110.6	93.6

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York; Silk—Japanese, 13-15 New York; Sugar — 96 degrees centrifugal c/f New York; Wheat—No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides—No. 1 packer light native cows; Hogs—select bacons, Toronto.

*Revised.

DIVIDEND NOTICES

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1937.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1937.

On the Common Stock, seventy-five cents (75c.) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1937.

By Order of the Board.

Montreal, September 24, 1937

C. B. ROBINSON, Secretary-Treasurer.

The Steel Company of Canada Limited

Preference Dividend No. 105

Notice is hereby given that a dividend of forty-three and three quarters cents (43¾c.) per share on the Preference Shares of the Company has been declared for the quarter ending September 30th, 1937, payable Nov. 1st, 1937, to shareholders of record at the close of business October 7th, 1937.

By Order of the Board,
H. S. ALEXANDER,
Secretary

Hamilton, Ontario,
September 29th, 1937.

The Steel Company of Canada Limited

Ordinary Dividend No. 83

Notice is hereby given that a dividend of forty-three and three quarters cents (43¾c.) per share on the Ordinary Shares of the Company has been declared for the quarter ending September 30th, 1937, payable November 1st, 1937, to shareholders of record at the close of business, October 7th, 1937.

By Order of the Board,
H. S. ALEXANDER,
Secretary

Hamilton, Ontario,
September 29th, 1937.

NATIONAL STEEL CAR CORP. LIMITED

NOTICE OF DIVIDEND No. 17

Notice is hereby given that a dividend of fifty cents (50c) per share by way of partial distribution of capital surplus, has been declared, payable October 15th, 1937, to shareholders of record at the close of business October 8th, 1937.

By order of the Board.
CHAS. W. ADAM,
Secretary.

Hamilton, Ontario,
September 30th, 1937.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

CANADIAN GENERAL INVESTMENTS LIMITED

Dividend Notice

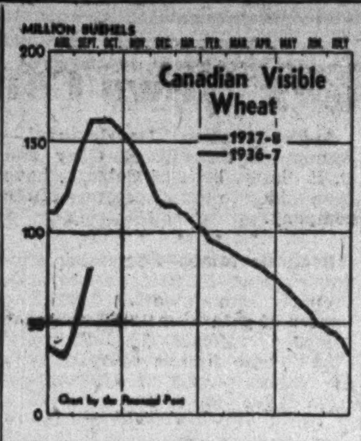
NOTICE is hereby given that a dividend of Twelve and one-half cents (12½c) per share on the paid-up capital stock of the Company has been declared to shareholders of record September 30th, 1937, payable October 15th, 1937.

SHARE WARRANT holders will present Coupon No. 37 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board.

E. M. STRAIN,
Secretary.

320 Bay St. Toronto.



FARM DELIVERIES

Because general wet weather throughout the Prairies has been holding country delivered of new crop wheat almost down to the level of larger export clearances, there was practically no increase in Canadian visible last week. Details in bushels are as follows:

Visible Supplies

Oct. 1	Week Previous	Last Year
74,810,000	74,504,000	162,116,000

Export Clearances*

Oct. 1	Week Previous	Last Year
2,774,279	1,357,168	5,227,033

*Plus U. S. imports.

Montreal Power Sales Move Ahead

Electric Output Records Good Gain But Gas Sales Still Off

From Our Own Correspondent

MONTREAL. — Montreal Light Heat and Power Consolidated reports electricity output, for consumption in the Montreal area, during September, of 95.6 million kw.h., as against 84.2 million kw.h. in the same month last year, an increase of 13.48%. These figures exclude the secondary and export power.

Cumulative production for the nine months period totalled 842.6 million kw.h. This contrasts with 773.7 million kw.h. for the same period in 1936, an increase of 8.90%.

Gas production last September is reported by the company at 427 million cubic feet, as against 453 million cubic feet in 1936, a decrease of 5.63%.

Comparative gas output for the first nine months of 1936 and 1937 was 3,881 million cubic feet and 3,743 million cubic feet, respectively, a decrease of 3.57%.

Cotton Imports Jump Two Million Pounds

From Our Own Correspondent

MONTREAL. — Canadian cotton imports during the first eight months of the current year amounted to 22,113,616 pounds, an increase of 2,145,287 pounds or 10.4% over the corresponding period of last year.

Imports from the United Kingdom totalled 14,372,345 pounds, an increase of 792,678 pounds, and from the United States, 5,284,360 pounds, an increase of 516,363 pounds.

Cotton piece goods, the chief item of importance, showed the largest advance, imports for the eight months amounting to 14,285,453 pounds, an increase of 1,337,717 pounds. Yarn, thread and cordage and wearing apparel also recorded increases, while imports of lace and embroidery declined.

Power Companies To Merge Facilities

From Our Own Correspondent

MONTREAL.—The Dominion Utilities Co., which supplies electric energy in the New Waterford area of Nova Scotia, will be merged with the Eastern Light & Power Co. early in 1938. Eastern Light and Power recently acquired control of Dominion Utilities.

Application of Dominion Utilities for approval of a new interim schedule of rates has been approved by the Nova Scotia Public Utility Board. The matter of permanent rates will be considered when services of the companies have been merged.

Oshawa Buildings Ltd. Makes Interest Payment

Oshawa Buildings Ltd. will pay interest coupons which became due January 1, 1934, on its 6½% first mortgage bonds on Oct. 15, 1937. Last previous payment was made Dec. 15, 1936.

All operating accounts are being paid out of current revenue and there are no arrears of taxes, according to an announcement by Stewart, Scully Co. At Aug. 31, 1937, 78 of the 81 rental units were occupied but, while total income is considerably above that for 1936, it is still short of full interest requirements.

Debenture & Securities Cuts Dividend Arrears

With payment of a dividend of $5 a share on the 5% cumulative preference shares of Debenture & Securities Corp. of Canada on Oct. 2, 1937, arrears have been reduced to $7.50 a share. A payment of $10 a share was made on July 2 and $4 on Jan. 2, 1937. Payments were resumed in July, 1936, when $1 a share was distributed.

Debenture & Securities Corp. reported net profits equivalent to $3.50 a share in 1936, but had a profit and loss surplus of $146,910 at the end of the year. Directors stated that, after the capital deficit had been eliminated through a revaluation of investments to a figure closer to market values and through profits realized on the sale of investments, it was possible to consider payment of dividend arrears from this surplus.

More Rains Boost Hopes

Damage to Alberta Harvest Offset By Future Gains

From Our Own Correspondent

WINNIPEG.—After last week's rain and snow in the west, moisture conditions generally over the three provinces are decidedly better than a year ago. The greater part of Saskatchewan still needs precipitation before freeze-up, however, to ensure anything like a satisfactory sub-soil condition. But the fact that moisture has been falling fairly well tends to create confidence for next year's crop. In Alberta and Manitoba the greater part of each province is quite well supplied with subsoil moisture for next year.

Fall Work

Fall cultivation work is well advanced in Manitoba, and with plenty of feed, probably 100,000 more cattle than a year ago are being kept. In Alberta where the harvesting was later than in Manitoba, fall rains and snow caught a good deal of grain in the field. As a result grades may be lowered. On the present price scale for different grades this means a considerable monetary loss. However, the province is so glad to be relieved of anxiety about drought, so far as its major areas are concerned, that complaints have been comparatively few.

Associated Tel. Dividends Up

Declares Extra Payments on First Preferred Shares

From Our Own Correspondent

MONTREAL. — Associated Telephone and Telegraph Co. has declared quarterly dividends on its 7% first preferred stock and its $6 first preferred stock of 49 cents a share and 42 cents a share respectively. Both quarterly payments are payable Nov. 15 to shareholders of Nov. 1.

In addition, the company has declared a special dividend of 98 cents a share on the 7% first preferred and 84 cents a share on the $6 first preferred. The special dividends are payable Oct. 25 to shareholders of record Oct. 11.

Following the Nov. 15 payments the 7% first preferred will be $34.79 a share in arrears, and the $6 first preferred $29.82 a share in arrears.

Total payments on the 7% first preferred this year amount to $2.94 a share, compared with 77 cents a share last year. Payments on the $6 first preferred total $2.52 a share, compared with 66 cents a share last year.

The increase in payments in the current year reflects improvement in the company's operations. Last year the company earned only $1.31 a share on its first preferred stock.

Would Combine Pools and U.G.G.

From Our Own Correspondent

WINNIPEG.—Gradual break-up of the old wheat pool organization is seen in the suggestion made to the Turgeon Grain Commission again sitting at Winnipeg that the Manitoba Pool Elevators and the United Grain Growers amalgamate. The idea was put forward in the brief presented by J. S. Wood, president of the United Farmers of Alberta. Mr. Wood stated that present competition between the two farmer companies was generally deplored and that there was a growing sentiment toward unification. The U.F.M. had had a part in starting both organizations.

Capital Wire Expands Plant

Additions to Ottawa Plant Will Add 50% to Capacity

From Our Own Correspondent

MONTREAL.—Capital Wire Cloth and Manufacturing Co., of Ottawa, is now installing additional equipment which, it is expected, will increase capacity of the plant by about 50%.

Production of the company is confined principally to the manufacture of "Fourdrinier Wire," though a number of other items are produced including cylinder wires and various kinds of wire cloth used in the pulp and paper industry.

Public Take Share

Last June control passed to R. O. Sweezey & Co. and Hanson Bros. Inc. Public financing carried out at that time consisted of 10,000 shares of preference stock and 10,000 shares of common stock, which were offered in units of one preference and one common shares at $40 for the lot.

No particulars are available as to earnings this year, but it is expected that the returns will show an increase over 1936, when net profits, before depreciation and income tax, totalled $38,626. Provision for depreciation last year totalled $2,206, leaving $36,420 available for dividends on the outstanding 10,000 shares of preference stock.

Royal Connaught Plan Waits Court Approval

The reorganization plan for the Connaught Hotel Co. operating the Royal Connaught Hotel in Hamilton has been approved by both bondholders and shareholders and now requires only court approval to make it effective. The plan received the support of 80% of bonds represented at a meeting Sept. 24 while shareholders later gave it the necessary majority. Under the plan Vernon Cardy will assume control of the hotel.

Gentle Dig at Social Credit Viewed as Untimely Levity

From Our Own Correspondent

EDMONTON. — Jocular remarks directed at Premier Aberhart at a luncheon given in Edmonton to Canadian Chamber of Commerce delegates returning from the Chamber's Vancouver convention, have drawn heated rejoinders from Social Credit followers of the Alberta premier.

P. W. Donner, British M. P., addressed the luncheon, following Mr. Aberhart's welcome to delegates on behalf of the province, and extended to the premier an invitation to come to England where "we are much more credulous." Mr. Aberhart should be able to promise Englishman more than he promised Albertans, he suggested, adding:

"We in England, you know, have a weakness for a theory which—to those of us who are, admittedly, ignorant—seems to be an offer of something for nothing...If Mr. Aberhart came to London I really think he would have to be very careful, not to be found out."

Next day, Hon. Solon Low, Mr Aberhart's Provincial Treasurer, told a Social Credit audience this was "impudent levity bordering on ridicule." He was "almost," said Mr. Low, ashamed to be an Englishman.

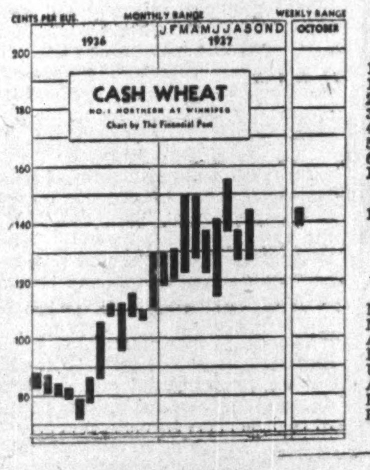
Mr. Low said the persons attending the luncheon "squirmed and made faces." He continued, "I noticed they were all laughing and jeering over the things he was saying and I daresay there was not a single one that understood what he was talking about. They sat there with the most colossal ignorance on their faces as if they would like to get up and hit the old man."

Dome's September Output Reported at $601,631

Gross production at Dome Mines, Porcupine producer, for September, amounted to $601,631 from 47,600 tons milled, the company reports. This compares with production of $625,191 for August and $647,176 for September, 1936.

Dome's subsidiary, Sigma Mines (Quebec) Ltd., reports September output at $121,069 from 15,171 tons milled, which compares with a gross of $118,076 in August.

Wheat Prices



(Cash Quotations)

	For Week Oct. 5 High	For Week Oct. 5 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.45½	1.39¼	1.44¾	1.33
1 Northern	1.45½	1.39¼	1.44¾	1.32½
2 Northern	1.41½	1.35¼	1.40¾	1.29½
3 Northern	1.28½	1.19½	1.27¼	1.20½
4 Northern	1.22½	1.13¾	1.20¾	1.14½
5 Wheat	1.16½	1.09¼	1.14¾	1.10⅛
6 Wheat	1.06½	1.01¾	1.02¾	.96⅛
Feed Wheat	.90½	.83¾	.88¾	.84⅛
Vancouver: Week to Oct. 4:				
1 Northern	1.36¾	1.34¾	1.29⅝	1.25⅞

Competitive Export Prices:
Sept.-Oct. shipments:

	Week to Oct. 5 High	Week to Oct. 5 Low
No. 1 North. (Atlan.)	1.74⅜	1.68½
No. 2 North. (Atlan.)	1.70⅛	1.65⅛
Australian	1.44⅜	1.43⅞
Indian (new crop)	1.37⅝	1.36⅞
U. S. Hard Winters	1.37⅝	1.36⅛
Argentine (Rosafe)*	1.30	1.29⅛
Rumanian	1.22¼	1.20¾
Russian†	1.31½	1.30

*New crop, Jan.-Feb. †Oct.-Nov.

Winnipeg Grain Futures

Week to Oct. 5, 1937

Crop year from Aug. 1, 1937 High	Crop year from Aug. 1, 1937 Low		Close Sept. 29	High for week	Low for week	Close Oct. 5
		Wheat				
1.36	1.20¾	Oct.	1.32¾	1.36	1.27¼	1.27¼
1.29½	1.17⅝	Dec.	1.27	1.29¼	1.23¼	1.23¼
1.30¾	1.19¼	May	1.28¼	1.28⅜	1.23⅛	1.23⅛
1.34⅝	1.22⅝	Nov.	1.32¼	1.34⅝	1.27⅛	1.27⅛
		Oats				
.55¾	.43¾	Oct.	.53¾	.54⅛	.51¾	.51¾
.51⅝	.40¼	Dec.	.50¾	.51¼	.49¼	.49½
.51	.42½	May	.50	.50¼	.48½	.48½
		Barley				
.67½	.54¾	Oct.	.63⅞	.67½	.63⅛	.65⅛
.65⅞	.52½	Dec.	.61	.65⅞	.60⅝	.63¾
.64½	.53¼	May	.61	.64½	.60⅛	.62
		Flax				
1.80¾	1.72¾	Oct.	1.78	1.80	1.75½	1.77½
1.80¼	1.72	Dec.	1.78	1.80	1.77	1.77¾
1.82	1.75½	May	1.80	1.82	1.78¼	1.79⅜
		Rye				
.96½	.83	Oct.	.95	.95¼	.89¼	.89⅜
.95	.80⅞	Dec.	.95	.95	.89	.89⅜
.95⅝	.82	May	.95½	.95⅝	.90⅛	.90⅛

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Week in Mining

Recent Moves Widen Alberta Oil Market

Progress Made Through Freight Cut and Action of Distributors — Market Moving Eastward

Recent developments in Alberta's oil marketing problem serve to indicate that the railways are sincerely anxious to co-operate with producers in broadening the area over which Alberta crude may economically be sold. In a little over a month, two reductions in freight rates on Turner Valley products have been made. Markets affected by the present reduction are those served by the refinery of Imperial Oil at Regina, and British America's refinery at Moose Jaw, markets heretofore served largely from Montana.

At the same time, both the major distributing firms in Turner Valley, Imperial and B. A., have stated that they are dropping their oil purchase commitments in U. S. and will replace Alberta oil for U. S. in the prairies.

Just what volume these changes will add to Turner Valley's previously estimated market of 10,00 barrels a day, cannot be estimated from available figures. However, it is known that Imperial's refinery at Regina has a capacity of 5,000 barrels daily, and B. A.'s Moose Jaw refinery a capacity of 3,000 barrels daily, so that a new potential market of some 8,000 barrels a day has been added to the Alberta producers.

Chromium Report

The long awaited report on operations at Chromium Mining & Smelting Corp. has been made public, and indicates some significant changes in the aims of the company.

Many will be disappointed that underground development of the Obonga Lake deposit at Collins, Ont., was not productive of more substantial results. True, the deposit has only been developed to the 300-foot level, but the management does not appear to hold out much hope

On the other hand, the main achievement of the corporation appears to have been the establishing of the Udy process, on which it has the rights, as commercially feasible. Leo H. Timmins refers to plans for financing a commercial smelter on a "new location," presumably near tidewater. This reference, plus the reference to the availability of ore from sources outside Canada, leads to the conclusion that the directors now visualize a fabricating concern, utilizing the Udy process, much along the economic lines of Canada's aluminum industry, which imports all its raw product.

* * *

Feminine Finance

Fortunately for the mining market, the lady whose market operations are described in another column, is not typical of the type of support this industry gets, nor is it typical of the type of support the mining industry needs or solicits.

As it happens, the portfolio of this particular investor, by sheer good luck, happens to include several promising young producers and prospects, as well as a few established dividend paying mines.

If it were not for the fact that this case history needs no moral, the moral would obviously be that this particular lady had not "investigated before she invested."

Paymaster Consolidated

Paymaster Consolidated Mines, Porcupine producer, had a profitable month in September, in which month gross value of bullion produced was the highest in its history at $112,427.

Paymaster could do very well on its tailings alone, provided it had more of them. September figures show that from 667 tons treated in that month, a recovery of $7,077 was obtained, indicating an average recovery from these old dumps of $10.59 a ton.

Unfortunately, the company has intimated that this supply is nearing exhaustion.

* * *

Index to Mining Stocks

Extending the decline of the preceding day, Canadian mining issues showed decided losses at the opening of the week ended Sept. 30. Base metal stocks suffered exceptionally sharp reductions. A brisk reaction on Sept. 27 brought considerable improvement and prices moved upward in an impressive manner. Senior golds supported by Dome played a leading part in the substantial advance, with the Dominion Bureau of Statistics' gold index mounting gradually from 99.3 on Sept. 24 to 109.6 on Sept. 30. On that day when gold issues were a feature of the New York market, Canadian gold stocks displayed strength and the index recorded a gain of three full points on sharp volume expansion. Base metals shared in the first stages of recovery but the announcement from London of a reduction in the price of copper provided a depressing influence, and the index for this group fell from 219.9 on Sept. 28 to 213.1 on Sept. 29, although it rose again to 215.8 on the following day. The daily index for 24 mines moved up from 125.9 to 130.4 between Sept. 23 and 30, with the gold section rising 7.6 to 109.6 while base metals showed erratic recession of 8.5 to 215.8.

Cariboo Mill Output 250 Tons

Bullion production at Cariboo Gold Quartz Mining Co., in the Cariboo district of B.C., totalled 13,692.1 fine ounces from 32,369.6 tons milled, a recovery of about .42 ounces per ton, during the seven-month period ended Aug. 31, 1937. This period includes the time during which employees of the mine were on strike.

Bulolo's Net Slightly Higher

Net profit of $3.26 per share, as compared with $3.15 per share the previous year, is shown in the annual report of Bulolo Gold Dredging Ltd. for the fiscal year ended May 31, 1937. The increase in net profit to $3,263,341 from $2,991,456 was due largely to greater volume handled.

At the same time this Canadian concern, which operates a placer gold deposit on the Bulolo and Watut Rivers in New Guinea, increased its working capital to $1,890,132 from $1,114,724 at the end of the previous year.

The property is being equipped with three new dredges, which will bring the total number up to seven. No. 5 dredge is expected to start operations next month, and No. 6 early in 1938. No. 7 dredge should be completed by the end of 1938.

During the year ended May 31, 1937, production was 137,326 oz. of gold and 59,039 oz. of silver.

Gravel Reserves

Working costs, excluding amortization, amounted to 9.88 cents per yard, or to 12.03 cents including the government 5% royalty.

Operating and Profit and Loss Account
Years Ended May 31

	1937	1936
	$	$
Bullion produced	4,870,991	4,359,057
Less working costs:		
Wages	161,618	178,865
Supplies	28,932	27,633
Repairs	295,618	218,513
Power	42,052	37,514
Gold saving	78,492	27,702
Insce. & management	49,737	55,851
Bullion insurance & postage	13,865	12,640
Automotive	......	7,725
Jungle clearing	21,831	31,485
Dredge servicing	47,478	......
Medical expenses	13,743	17,143
Lease fees	15,979	11,277
General expenses	93,524	67,713
Clean-up expenses .	15,601	14,218
General maintenance	55,315	54,674
Laboratory expenses	4,706	4,656
Travelling expenses.	19,364	26,620
Servicing	......	36,558
Drilling and testing.	8,089	3,412
	3,905,047	3,524,858
Less: Misc. exps., incl. dir. fees, admin., trav. & rental chgs.	120,397	106,992
Bullion, freight and refining	20,355	20,089
Royalties	240,084	206,926
Operating profit	3,524,211	3,190,851
Add: Sundry income ..	61,764	18,135
Total income	3,585,975	3,208,986
Less: Amort. fund. approp.	322,634	217,530
Net profit	3,263,341	2,991,456
Less: Dividends	2,899,996	2,632,000
Surplus for period	363,345	359,456
Add: Previous surplus	1,656,135	2,424,679
Less: Dividend No. 4 .	......	*1,128,000
Balance forward	2,019,480	1,656,135

*Paid out of previous year's earnings.

Earns. Per Share and Divd. Record:		
Earned	$3.26	$3.18
Paid	2.90	2.80
No. of Shares Outstand.	1,000,000	940,000

Anglo-Huron 1937 Profit 80c a Share

Company Shows Materially Improved Liquid Position

Net aggregate value of the assets of Anglo-Huronian Ltd., holding and exploration company, as at July 31, 1937, amounted to $8,297,085, equivalent to $5.53 per share, annual report of the company for the fiscal year ended July 31 shows. The above valuation is based on market value of securities having market quotations, and what directors consider a fair valuation for other assets.

In the year just ended, Anglo-Huronian earnings amounted to 80 cents per share as against 86 cents in the previous year. Working capital showed an increase to $7,069,492, from $5,698,955 in the previous year. This is attributable to investments, which at the end of July, 1937, were carried at cost of $6,519,610, with a market value of $7,390,000. At the end of July, 1936, marketable securities were carried on the balance sheet at cost of $3,486,491.

Ridgely Mining Co. Formed

During the year, Anglo-Huronian entered into an agreement with Coniaurum Mines, whereby Ridgely Mining Co. was formed to acquire six claims, known as the Ridgely group, and 75% owned by Anglo-Huronian, located east of Coniaurum. Since it was felt that the logical method of developing these claims was from Coniaurum's underground workings, these arrangements were made.

Ridgely Mining Co. has an authorized capital of 3 million shares, $1 par value. Vendors were allotted 1 million shares, and Coniaurum was granted an option on 750,000 shares at 25 cents per share, exercisable over a period of 18 months from May 1, 1937, providing Ridgely with $10,500 per month. Results to date have been negative, but justify further work, Mr. Dorfman states.

Income and Surplus Account
(Years Ended July 31)

	1937	1936
Revenue:	$	$
Metal recov.	344,335	452,675
Divds. rec.	125,736	107,951
Int. earned	69,403	44,772
Sundry earns.	1,124	12,589
	540,598	617,987
Expenses:		
Mine oper. exp., incl. devel.	300,185	416,339
Gen. admin. & organ. expenses†	85,281	71,270
Exam. w/o	6,064	5,668
Res. for deprec.	1,425	1,421
Net profit	147,643	123,289
Add: Profit from sale of securities	1,030,997	1,134,154
Profit on sale & purchase of commod. .	51,550	......
Less: Res. for taxes ...	24,939	36,923
Advs. and shares in min. cos. w/o	......	93,450
Surplus	1,205,251	1,127,070
Add: Prev. surp.	1,878,362	1,262,334
Less: Divds.	563,521	511,042
Balance forward	2,520,092	1,878,362

† After deduction in 1937 and 1936 of $14,865 and $21,722 respectively, as portion charged to mine operations and $19,416 and $18,320 respectively as income from management services.

Earns. per Share and Divd. Record:		
Common: Earned* ..	$0.804	$0.865
Paid	0.40	0.40

*Based on net profit after taxes, but including profit from sale of investments each year, and less advances and shares w/o in 1936.

New Smelter For Chromium

Collins Deposit Proves Disappointing as Source of Ore

Indication that while the Obonga Lake deposit does not contain nearly the tonnage of chromite ore expected, Chromium Mining & Smelting Corp.'s future lies more along metallurgical lines, drawing its ore from all parts of the world, is contained in a long awaited report over the signature of Leo H. Timmins, president.

Mr. Timmins states that a special general meeting of shareholders will be called in January or February of next year, to discuss refinancing plans at present under consideration by directors. These plans do not affect the capital stock position of the company

During the past 8 months, underground development at the property at Collins west of Lake Nipigon concentrated on what is called the main zone. Since November, 1936, a total of 1,747 feet of drifting and 1,532 feet of diamond drilling has been done on all three levels to the 300-foot level. This work has disclosed a total tonnage of 25,000 tons of ore in this zone of an average value of 12% chromite. Company engineers believe that this practically delimits the existent of this ore-zone at this horizon.

4,000 Tons Shipped

During the winter months approximately 4,000 tons of ore was shipped to the smelter at Sault Ste. Marie, for experimental purposes. While underground work at the property has been stopped, diamond drilling of the two zones already outlined will be carried on.

The Sault smelter, which is not regarded as a commercial smelter but an experimental one, has produced more than one million pounds of high carbon ferrochrome and 7.5 million pounds of ferrosilicon all of which has been marketed.

"Our results," states Mr. Timmins, "have demonstrated that under the Udy process, we can produce a low carbon ferrochrome with a low grade chromite ore of a high iron to chromite ratio, at a price which will compare favorably with that of the world producers of this product. Apart from the property at Collins the corporation is investigating the possibilities of other properties both in Canada and abroad, and has satisfied itself that there is a large available tonnage.

In a balance sheet as at June 30, 1937, which accompanies the report, cash, deposit accounts and accounts receivable total $118,864, which with material and supplies of $136,093, brings current assets to $254,957. Current liabilities are shown at $35,240, leaving working capital at $219,717. Of the authorized 3 million shares, no par value capitalization, 2.8 million shares have been issued.

News Concentrates

Anglo-Canadian Development—Announces that W. E. Gray and O. R. Soley, both of Calgary, have been added to the directorate of the company.

* * *

Bralorne Mines—September production from this Bridge River, B.C., property, amounted to 7,363 fine ounces of gold from 13,493 tons, the company informs The Financial Post. These figures compare with an August output of 6,648 ounces from 13,702 tons milled.

* * *

Clark Gold Mines—Has resumed drifting on No. 2 vein at its property in Kenora district. Shaft is to be deepened from 250-ft. to 500-ft. level and two new levels established. South wall of drift where former operations left vein will be back slashed.

* * *

Devon Gold Mines—Has been formed to take over property of Coulson Consolidated Gold Mines in Beatty and Caulson twps., Ontario. Coulson shareholders, who approved the reorganization at a special meeting, will receive one new share for each three shares they now hold when pooled Devon Gold shares are released. Negotiations are in progress to grant options extending over 18 months which, if fully exercised, would place $200,000 in treasury of new company.

* * *

Lakeside Kirkland—Formerly Queen Lebel property in eastern Kirkland Lake area has located new vein which appears promising, according to E. B. Knapp, president and managing director. Samples have been sent out. Vein reported 6½ ft. wide, heavily mineralized. Company plans to diamond drill new discovery immediately. Road from mine to Kirkland Lake highway completed and all buildings enclosed.

* * *

Lapa Cadillac Gold—Announces total indicated ore, as shown by limited development to date, now well over 100,000 tons, according to latest report issued by H. S. Denny, president. Stoping on No. 1 C ore body above 540-ft. level is opening ore of average grade considerably above that estimated by resident engineer. Development of A and B ore zones is being pushed. Additional diamond drill has been started underground and is being used with other equipment to cover unexplored ground.

* * *

Tashota Goldfields—Having found it impossible to continue development work out of earnings, closed down mill at end of September, company announces. Staff is being retained at property to maintain it in operative condition and carry on limited development work. Company is negotiating for reorganization which will enable it to meet changed conditions at property.

* * *

Wesley Gold Mines—Has acquired 10 claims north and west of Maniwaki in Vauquelin twp., Quebec, and will move in a drill as soon as possible in an attempt to line up strike of Maniwaki on own ground, M. J. Boylen, president, announces. Work is continuing at Wesley's property east of Kerr-Addison in Larder Lake area, two drills being in operation.

Rosedale Gold Mines Passes Oct. 1 Dividend

Rosedale Gold Mines, a Canadian concern owning a gold producer in New Mexico, U.S.A., has passed its dividend of one cent per share due Oct. 1, officials have announced. The company has paid one cent per share every two months since dividends were inaugurated Aug. 1, 1935.

To The Financial Post, officials of the company explained that no action was thought advisable because the mill capacity was being increased from 135 to 350 tons a day, an expansion which will cost about $75,000, and cannot be taken care of out of current surplus if the dividend is paid. No decision has been made regarding the dividend due Dec. 1 next.

Report is Favorable On Morris-Kirkland

Total ore reserves in the section of the property developed to date by Morris Kirkland Gold Mines, in the east Kirkland Lake area, are estimated at 50,000 tons grading $9 per ton by M. P. McDonald, consulting engineer, who was engaged by the company to make an independent report on the property.

Montague Gold Mines Sells Block of Shares

From Our Own Correspondent

MONTREAL. — Montague Gold Mines has notified the Montreal Curb Market that 86,428 shares have been allotted for $30,250, in accordance with the underwriting agreement. This brings the number of outstanding shares up to 1,147,859.

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Teck's Profit Off Slightly

Earnings of Teck-Hughes Gold Mines, the veteran Kirkland Lake producer, will show another decline when the annual report is published shortly, an interim report covering operations for the fiscal year ended Aug. 31 shows.

According to this estimate, net profit for the 12-month period amounted to $2,203,195, equivalent to about 46 cents per share, as compared with 50 cents in 1936.

At the same time ore reserves have declined slightly to a total of 640,443 tons, taking only positive ore, averaging 8.02 pennyweights per ton, for a gross value of 5,139,318 pennyweights. Since, at present gold prices, a pennyweight is valued at about $1.75, this would give a gross valuation of $8,993,806, as compared with $9,360,757 for 649,779 tons as at Sept. 1, 1936

The report shows that average grade of the ore treated during the year, exclusive of tailings (residue from former milling operations) re-treated, amounted to 7.22 pennyweight, or $12.63 a ton. This grade also shows a decline from the previous year.

During the 1937 period, according to this estimate, the company treated 369,652 tons of ore, and 37,780 tons of tailings. This is slightly higher tonnage than the previous year.

No balance sheet is contained in the interim report, this statement being held for the annual report.

Production and Earnings

Production:	
Dry tons of ore treated	369,652
Dry tons of old tailings re-treated	37,780
Total tonnage milled	407,432
Earnings:	
Gross value of bullion	$4,570,037
Income from investments	104,877
Gross earnings	$4,674,914
Less: Dev., min. & milling exps.	1,755,129
Insurance and taxes	461,884
Gen. exps. incl. mktg. bullion and assay	219,503
Exp. on outside prop. & expl.	35,211
Est. bal. to surplus	$2,203,195
Estimated Earnings per Share ..	$0.458

Estimated Positive Ore Reserves
(At Aug. 31, 1937)

Location between levels Nos.	Tons	Total Reserve Av. grade Dwt.	Total Dwt.
0-10	25,695	7.30	187,434
10-20	58,846	11.76	692,321
20-30	128,143	6.97	893,089
30-40	208,209	7.38	1,537,253
40-50	219,550	8.33	1,829,201
Total	640,443	8.02	5,319,318

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1937 Mine Dividends 30 Per Cent of Total

Payment of $97.1 Millions to Shareholders in 12 Months Smashes Record for Canadian Industry

In the final analysis the test of any mining industry lies in the dividends paid.

In the current year, The Financial Post estimate shows that the Canadian mining industry will distribute to shareholders in dividends and bonuses over $97 millions. This figure is an increase of 26.5% over the 1936 payments, and is, of course, considerably in excess of former payments.

On the basis of payments actually made so far this year, it is estimated that dividends paid by all public industrial companies, banks, insurance companies, chain stores, brewing and distilling corporations, textile, construction and utility companies will be in the neighborhood of $220 millions. The mining industry will account for over 30% of this total. In 1936, mining's contribution to total dividend payments was about 29%.

While much of this increase may be attributed to more generous distributions on the part of the major mines, the total was also swelled by the addition of seven new dividend payers among the producers.

To Quebec must go the palm for the greatest number of new dividend payers in 1937. In this province, Canadian Malartic, Sigma Mines, and Sullivan Consolidated all made their dividend debut this year, contributing totals of $181,343, $30,000 and $100,000 respectively. All these companies are gold mines.

In Ontario, Coniaurum, the Porcupine producer, and Northern Empire Mines, controlled by Newmont Corp., also gold mines, added a combined total of some $300,000 to the year's dividend payers, while in British Columbia, Beaverdell Wellington Syndicate, a silver-lead proposition, and Fairview Amalgamated (gold) were both initial dividend payers. In addition Hedley Mascot Gold Mines has recently announced payment of an initial dividend in 1938. There are, of course, several properties in Ontario and Quebec which give every indication of dividends next year.

Largest single dividend payer was again International Nickel Co. from whose Sudbury operations has poured no less than $31 millions in 1937, bringing total payments on common and preferred to $223.7 millions. In 1936, $20.8 millions was paid by Inco, the greatest dollars and cents growth of any company.

Lake Shore Gold Mines, in Kirkland Lake, was second greatest dividend payer, with a record of $12 millions in 1937, as compared with $10 millions the previous year.

Consolidated Mining & Smelting Co., third largest dividend payer, will increase its distribution this year, it is estimated, to $9.7 millions. In 1936 it was $6.5 millions.

It is early yet, of course, to venture a prediction as to 1938 payments, so numerous are the factors which are today shaping the course for the industry. In general, it is expected that while the total dividend payments will be up, higher costs will have their effect, with the logical result that the increase may not be as sharp as it has been in recent years.

In the table below, under the heading miscellaneous, are included holding companies, many of which obtain a large part of their income from the dividend paying mines. To that extent, therefore, their disbursements are duplicated in the list of actual producing companies. Excluded from the table below are Canadian companies, financed with Canadian money, which are producing on property outside Canada. Examples are Bulolo Gold Dredging Co., Lava Cap, Rosedale Mines, and a few others.

DIVIDENDS PAID IN CALENDAR YEARS

Mine:	Main Product	1937 $	1936 $	From 1896 to end of 1937* $
British Columbia:				
Beaverdell Wellington	Silver-lead	7,200	18,000	86,400
Bralorne	Gold	935,250	561,150	2,421,400
Cariboo Gold	Gold	133,330	133,330	266,660
Cons. M & S. Co.▲	Lead-zinc	9,776,265	6,517,510	68,855,884
Highland Bell	Silver-lead	13,159	13,159	†143,376
Howe Sound‡■	Copper	2,976,228	2,405,784	22,339,454
Island Mt.	Gold	......	105,072	105,072
Pioneer Gold	Gold	875,875	1,401,400	6,619,216
Premier°	Gold	800,000	800,000	20,158,074
Reno Gold	Gold	225,600	225,600	706,883
Sheep Creek Gold	Gold	187,500	75,000	262,500
Ymir Yankee Girl	Gold	......	111,250	111,250
Former dividend payers		......	......	106,378,122
Total		15,930,407	12,367,255	228,454,291
Manitoba:				
Hudson Bay	Copper-zinc	4,136,959	2,757,973	9,548,858
San Antonio	Gold	324,334	324,544	1,237,096
Total		4,461,293	3,082,517	107,859,954
Nova Scotia:				
Montreal-London•	Gold-silver	......	......	47,928
Ontario:				
Buffalo Ankerite	Gold	350,839	175,420	805,148
Central Patricia	Gold	300,000	200,000	500,000
Coniaurum	Gold	136,522	......	217,445
Dome■	Gold	3,893,336	3,893,336	33,872,958
Falconbridge	Nickel	1,001,250	1,001,234	4,714,937
Hollinger	Gold	4,228,000	5,412,000	87,058,400
Howey	Gold	200,000	100,000	1,050,000
Inter. Nickel♦■	Nickel	31,090,236	20,885,519	223,789,713
Kirkland Lake	Gold	479,403	316,975	1,110,726
Lake Shore	Gold	12,000,000	10,000,000	65,020,000
Little Long Lac	Gold	549,900	549,900	1,283,100
Macassa	Gold	401,710	401,710	1,339,033
McIntyre Porcupine	Gold	1,596,000	1,596,000	19,943,517
McKenzie Red Lake	Gold	232,000	203,000	406,000
Pickle Crow	Gold	1,050,000	600,000	1,650,000
Sylvanite	Gold	824,875	659,900	3,497,470
Teck-Hughes	Gold	2,403,572	2,163,215	27,807,434
Toburn	Gold	148,000	148,000	592,000
Wright-Hargreaves	Gold	3,850,000	3,300,000	21,797,638
Former dividend payers		......	......	56,382,031
Total		65,735,643	51,606,209	551,837,550
Quebec:				
Beattie	Gold	479,265	239,619	718,884
Can. Malartic	Gold	181,343	......	181,343
McWatters Gold	Gold	......	186,050	279,075
Noranda■	Gold-copper	7,839,102	6,719,316	36,674,898
Sigma	Gold	30,000	......	30,000
Siscoe	Gold	1,020,813	970,012	4,984,280
Sullivan Cons.	Gold	100,000	......	100,000
Total		9,650,523	8,114,997	429,684,480
Miscellaneous:				
Anglo-Huronian		521,042	521,042	1,803,647
Coniagas		95,787	95,787	11,940,000
McKinley Mines		56,193	56,193	196,675
Nipissing Mines		600,000	600,000	31,440,000
Northern Can. Min.		150,000	100,000	250,000
Sudbury Basin		337,901	......	337,901
Ventures		590,232	196,748	786,980
Total		2,351,155	1,569,770	46,755,203
Grand total		97,129,021	76,750,748	880,849,406

*Estimated. ▲Five per cent stock dividend paid in lieu of cash bonus July 15, 1931 and Jan 15, 1932; 10% stock dividend paid March 1, 1933. ‡Includes profits from companies outside Canada. ■Dividends payable in U. S. funds. °Now principally a holding company. •Dividend record incomplete. ♦Includes common and preferred.

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Mining Enquiries

Oro Plata Mining

Please give me what facts you have at hand on Oro Plata Mining.

Oro Plata Mining Corporation now operates as a holding, exploration and development company. The company's chief interest at present is its holdings in Jellicoe Consolidated Gold Mines, which at last reports amounted to 1,600,000 shares, with further substantial block under option. It controls and manages, in addition to Jellicoe, White-Horse Gold Mines, Nipilac Gold Fields and Maralgo Mines. The Corporation has a strong board of directors and at Sept. 1 reported total cash and securities in excess of $3 millions. This stock has, in common with all mining stocks, suffered from the present decline in the market, with the result that options on its shares are in arrears.

With the exception of Jellicoe, which has established itself as a likely profit maker, the corporation's holdings are largely in prospects and the stock is accordingly speculative.

Preston East Dome

Your views on Preston East Dome, in which I am a shareholder, would be much appreciated.

The property of Preston East Dome Mine in Tisdale twp., Porcupine district of Ontario, has responded well to drilling and underground work. At present, an ore body with an area of approximately 20,000 sq. ft. grading better than $5 in the south half of the porphyry mass, has been indicated. The north half has not yet been explored. No estimate as to tonnage in reserve has yet been made.

At the end of July, the company had approximately $155,000 cash on hand. The stock, listed on the Toronto Stock Exchange and the Montreal Curb market, is speculative, but to date results have been satisfactory.

Wood Cadillac Releases Stock

From Our Own Correspondent

MONTREAL.—Wood-Cadillac Mines has received payment of $9,750 for 30,000 shares underwritten at 32½ cents a share under the terms of the underwriting option agreement. As a result of this payment, 150,000 shares out of the 600,000 shares held in the pool are released, payment in excess of $100,000 having been received by the company for treasury shares in 1937. This leaves 700,000 shares under option and 450,000 shares in the pool.

Mining News Concentrates

Rebair Gold Syndicate now has the shaft being sunk on the Dome vein at its Rainy River property down over 80 feet. Objective is 150 feet, where a level will be established. Assays running from $1.05 to $47.60 have been secured from eight samples taken on the north and southwest wall of the shaft at a depth of 24 feet.

* * *

Richgreen Gold Mines, near Beardmore, has completed 5,000 feet of stripping and trenching and begun work on several test pits. Surface assays are reported as low but encouraging.

* * *

American Marble Co. has installed a crushing and screening plant at Bancroft, Ont., to produce marble chips used in making terrazzo flooring. Plant has an average capacity of 50 tons daily and the company has options on over 2,100 acres of land. American Marble has arranged for distribution of its product in Ontario and the U.S., and is arranging for marketing in Quebec. Its operations mark the first step in Ontario to exploit the marble chip industry.

* * *

Old Diamond Gold Mines is negotiating to buy a small test mill for sampling purposes, installation of such a unit having been recommended by G. R. McLaren, consultant for this Hastings county property. The mill would be used to treat some of the high-grade ore encountered underground. Mispickel vein has been extended by a pit 900 feet from No. 1 shaft and about 50 feet of vein material has been uncovered at this point. The engineer reports that this is undoubtedly the same vein being worked underground and indicates a probable further length of 750 feet on the first level.

Pato Earnings 5c Per Share

Canadian Concern in Colombia Has Good Year, Report Shows

A net profit amounting to slightly over five cents per share is shown by Pato Consolidated Gold Dredging Ltd., Canadian concern with placer properties in the Republic of Colombia, South America, in the annual report covering the fiscal year ended April 30, 1937.

After all charges, and from a gross of $307,270, net profit amounted to $150,247 in the period. At the end of April, current assets, including cash on hand and in the banks of $1,078,404 totalled $1,218,939, against current liabilities of $1,163,496. This leaves a working capital of $55,443.

Pato Consolidated was originally a private company controlled jointly by Pato Mines (Colombia) Ltd., of England, and Placer Development Ltd., and was converted into a public company early in 1936.

Dredges number 4 and 5 should be ready for operation early in 1938, the report intimates. During the year, 16,767 ounces of gold were recovered, average recovery per yard of gravel being slightly over 15 cents.

Based on drilling and dredging results to date, Frank R. Short, chief consulting engineer of Placer Development estimates 600 million cubic yards of gravel of an average recoverable value of between 14 and 15 cents per yard at present gold prices. This yardage he considers actually proved. In addition, he considers that around 37 million cubic yards of gravel, suitable for hydraulicking, and with an average value of about 25 cents per yard have been proved, and that additional dredging and hydraulicking ground will be developed.

Income and Surplus Account Year Ended Apr. 30, 1937

	$
Dredge operating acct.	307,270
Less: Admin. expenses	10,000
Directors' fees	5,000
Audit & special accounting	2,434
Int. disc. & exchange	1,497
Exam. exp., properties aband.	12,512
Colombian income tax	28,023
Tax on find exports	3,177
Operating profit	244,627
Less: Depreciation	72,315
Depletion	22,065
Net profit	150,247
Add: Previous surplus	350,616
Less: Gen. reserve approp.	18,268
Balance forward	482,595
Earnings per share	$0.05

August Gold Production Shows Rise in Ontario

Ontario's gold mines produced bullion valued at $57,954,870 during the first eight months of 1937, compared with output worth $52,664,239 in the corresponding period of 1936, according to the August gold bulletin of the Ontario Department of Mines. For the month, the producers show a substantial increase in tonnage milled and value of production over that reported in August, 1936.

Production returns by gold mines in August, 1937, with comparative figures for August, 1936, follow:

Monthly Output of Ontario Mines

	1936		1937	
	Tons Milled	Value $	Tons Milled	Value $
Porcupine Belt:				
Jan. to June	1,936,190	16,745,920	2,096,701	19,127,047
July	338,885	3,234,931	364,190	3,340,497
August	350,788	3,065,100	367,769	3,335,350
Total	2,625,863	23,045,951	2,828,660	25,802,894
Kirkland Lake Belt:				
Jan. to June	1,066,780	17,049,017	1,148,342	17,601,120
July	188,918	2,820,900	204,703	3,002,529
August	186,008	2,731,137	207,116	2,839,789
Total	1,441,706	22,601,054	1,560,161	23,443,438
Matachewan:				
Jan. to June	189,139	732,674	228,893	864,963
July	31,837	109,472	39,380	162,394
August	31,602	115,031	40,733	170,006
Total	252,578	957,177	309,006	1,197,363
Northwestern Ontario:				
Jan. to June	524,647	4,442,046	604,915	5,431,099
July	87,833	776,154	104,607	1,024,974
August	98,031	841,857	108,269	1,055,102
Total	710,511	6,060,057	817,791	7,511,175
Total for Ontario:				
January	605,555	6,234,414	691,346	7,120,010
February	583,145	6,111,006	622,276	6,895,604
March	642,279	6,714,506	692,742	7,303,894
April	616,493	6,646,735	675,814	6,979,588
May	640,699	6,511,801	699,316	7,315,799
June	623,585	6,751,195	697,357	7,404,834
July	647,473	6,941,457	712,880	7,530,394
August	666,429	6,753,125	723,887	7,400,247
Grand total	5,030,658	52,664,239	5,515,618	57,954,870

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Quemartic Buys 30 New Claims

Quemartic Mines Ltd. has acquired for cash 30 claims adjoining the property of Maniwaki Gold Mines in Vauquelin Twp., Quebec. The Maniwaki property contains what is known as the McDonough, high-grade discovery.

Quemartic, whose new property adjoins Maniwaki on the southwest, has moved its crew of ten men from its Malartic property to continue surface exploration. J. M. R. Corbet, director, states that Quemartic has about $27,000 in the treasury. 1.5 million shares have been issued of which one million vendor shares are pooled.

Mining Company Charters

Ackerman Gold Mines—Ont. Incorp., Sept. 14, 1937. H. O. Toronto. Auth. cap., 3,000,000 shares, n.p.v.

Auratus Mining Syndicate—Ont. incorp. Sept. 2, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Burscott Mining Syndicate — Ont. incorp., Aug. 31, 1937. H. O. Sudbury. Auth. cap., 35,000 shares, $1 par.

Donchester Mines (Quebec)—Que. incorp., Aug. 21, 1937. H. O. Montreal. Auth. cap., 4,000 shares, n.p.v. Company formed to purchase and acquire all or any part of assets of Donchester Mines, Ltd.

Dransfield Quebec Mining Co.—Que. incorp. July 30, 1937. H. O., Rouyn, Que. Auth. cap. 99,000 shares, $1 par.

Farrell Rouyn Mines (Quebec)—Que. incorp. Aug. 30, 1937. H. O., Montreal. Auth. cap. 2,000,000 shares, $1 par.

Frederick Copper Mines—B. C. incorp., Sept. 21, 1937. H. O. Vancouver, B.C. Auth. cap., 100 shares, $100 par.

Germansen Ventures — B. C. incorp., Sept. 7, 1937. H. O. Prince Rupert, B.C. Auth. cap., 100,000 shares, $1 par.

Goldstream Quebec Mining—Que. incorp., Aug. 30, 1937. H. O. Rouyn, Que. Auth. cap., 99,000 shares, $1 par.

Kirkfield Quebec Mines — Que. incorp. July 30, 1937. H. O., Rouyn, Que. Auth. cap. 99,000 shares, $1 par.

Kengriff Mining Syndicate—Ont. incorp., Sept. 9, 1937. H. O. Toronto. Auth. cap., 35,000 shares, $1 par.

Minerals Consolidated—B. C. incorp., Sept. 2, 1937. H. O. Vancouver, B.C. Auth. cap., 5,000,000 shares, $1 par.

Manobec Prospectors (Quebec)—Que. incorp. Aug. 9, 1937. H. O., Noranda, Que. Auth. cap. 20,000 shares, $1 par.

Marjac (Duverny) Gold Mines—Que. incorp. Sept. 1, 1937. H. O., Quebec, Que. Auth. cap. 99,000 shares, $1 par.

Minerals Consolidated — B. C. incorp. Sept. 2, 1937. H. O., Vancouver, B.C. Auth. cap. 5,000,000 shares, $1 par.

Ojibway Gold Mines—Ont. incorp. Sept. 1, 1937. H. O., Toronto. Auth. cap. 300,000 shares, n.p.v.

Oriental Mining Syndicate — Ont. incorp., Sept. 15, 1937. H. O. New Liskeard, Ont. Auth. cap., 35,000 shares, $1 par.

Revelstoke Mining Co.—B. C. incorp., Sept. 17, 1937. H. O. Revelstoke, B.C. Auth. cap., 50,000 shares, $1 par.

South Shore Ltd.—Que. incorp., July 30, 1937. H. O. Montreal. Auth. cap., 30,000 shares, $1 par.

Spud Valley Gold Mines—B. C. incorp., Sept. 10, 1937. H. O. Vancouver, B.C. Auth. cap., 1,000,000 shares, $1 par.

Zonic-Larder Mining Syndicate—Ontario incorp., Sept. 10, 1937. H. O. Toronto. Auth. cap., 35,000 shares, $1 par.

Zeballos Gold Peak Mines—Ont. incorp. Sept. 16, 1937. H. O., New Westminster, B.C. Auth. cap. 1,500,000 shares, $1 par.

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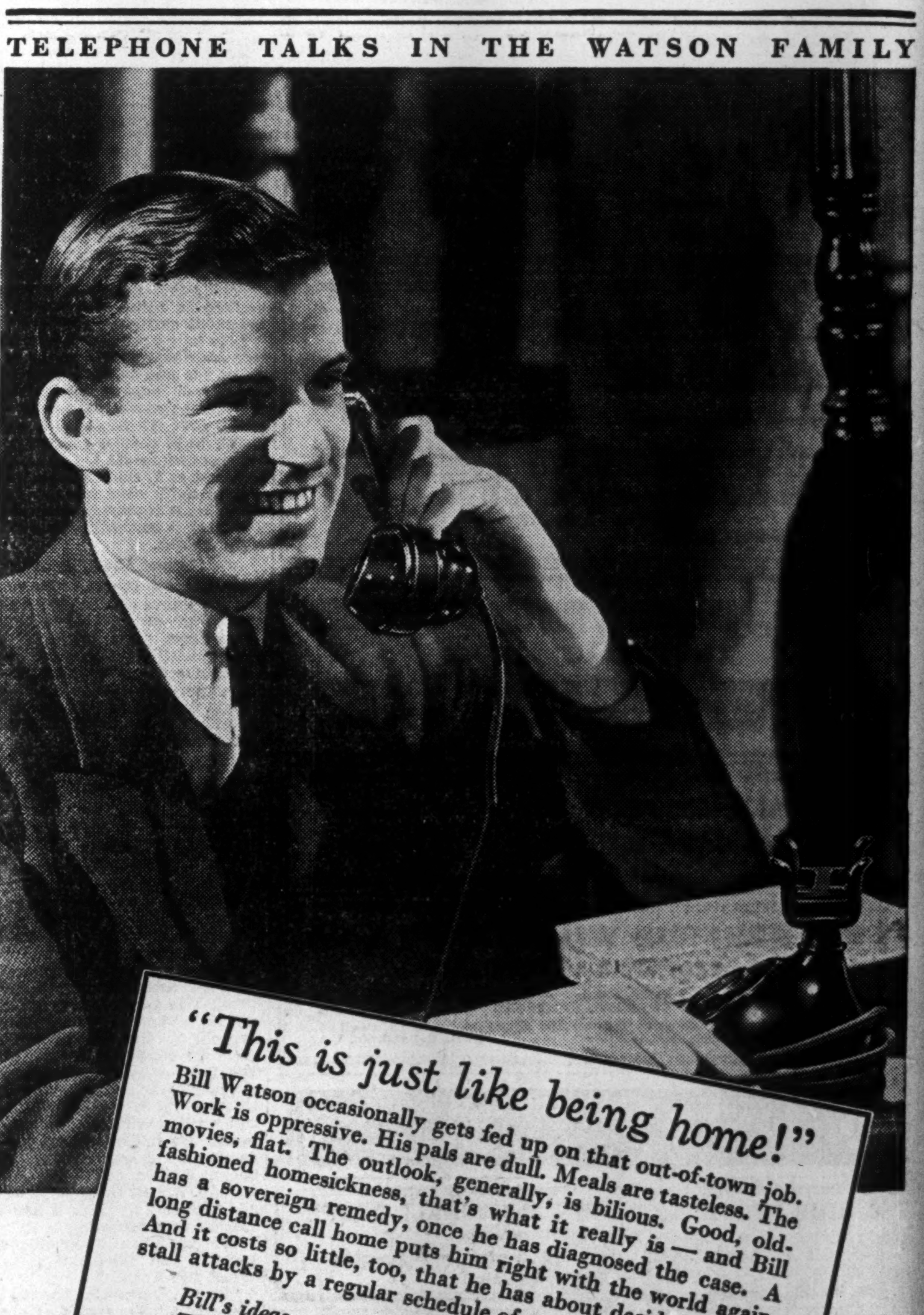

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Feminine Finance

A Case History, Relating How and Why One Woman Became a Mining Shareholder

By WILFRID SANDERS
Mining Editor, The Financial Post

The lady who said she had lost heavily in mining stocks straightened herself in her chair, and good-humoredly prepared to offer herself as a human guinea pig.

The interview was to be a sort of post-mortem, strictly scientific, and with a definite object. The object was to find out why women, or rather, this woman, had bought mining stocks.

That women do buy mining stocks, sometimes with breath-taking abandon, sometimes with canny shrewdness, The Financial Post has reason to know, from the number of letters it gets daily from women subscribers. Moreover, The Post knows that the typical woman investor does not exist, any more than the typical woman. Age cannot wither nor custom stale the infinite variety of her investments.

It is not therefore claimed that the lady whose mental market processes are herein to be laid bare, is typical. Her story is told merely as a case history. Women readers of The Post may compare this case history with their own experiences; may conjecture how differently they would have reacted under similar circumstances. The case, of course, is a genuine one, and the interview is a straight job of reporting, without imaginative garnishings.

This particular lady, then, is a widow, whose late husband had accumulated a comfortable estate, and an intense fear of the stock market. As might be expected, he was careful to place the profit from his business into gilt-edged securities, such as bonds and debentures. At the time of his death, these securities were yielding an average of 5½%.

"That Sort of Security"

Not knowing the difference between a bond and a debenture, his widow was content enough to let the status quo go on status quoing, and bothered her head not at all about the estate. All went well for a few years.

One day in the summer of 1936 she was notified that the bonds and debentures had matured, and that she would have to decide how she would reinvest the proceeds.

'I had nobody to advise me in the family, so thought I would play safe by reinvesting the money in just the sort of securities my husband had chosen. But, unfortunately, while I could find just the sort of securities my husband had chosen, they did not still pay just the sort of interest the sort of securities my husband had chosen, had paid, if you know what I mean."

"You mean you couldn't get 5½% any more, in safe securities?" The Post suggested.

"Exactly that, only more so. It wasn't until after the first month or so after I reinvested, that I found my living allowance had been cut in half I was getting only 2½% from the beastly things.

"I couldn't live on half of what I had before, naturally," said this lady, whose home bespoke a taste for fine furniture and tasteful knick-knacks. "So I didn't know what to do."

She mentioned her predicament to an acquaintance, also a widow, whose late husband had "done pretty well" in mining stocks and who was, apparently, carrying on the good work.

That was the start.

This acquaintance referred, in the course of a bridge-table conversation, to "a stock called Paymaster."

The next day, therefore, our subject dropped into a brokerage house, whose advertisement she had seen, and bought, without more to-do, 1,000 shares of Paymaster Consolidated Gold Mines, for which she paid $1.15 per share.

"Almost immediately afterward, the stock went up to $1.25 a share, and I sold 500 shares, making about $50 in a few days. I thought that was pretty good."

Since $1.25 per share was the highest point reached by Paymaster in 1936, this was pretty good, to the extent that she had sold half her holdings at the high for four years.

"I was pretty proud of this profit, and told my bank manager about it the next time I was in. We got talking about mining stocks, and he mentioned a stock called Moneta Porcupine,, only he warned me it was a gamble."

Gamble or not, 200 shares of Moneta Porcupine Gold Mines were added to her portfolio, at an outlay of $1.65 per share.

"Again my judgment proved sound, and I was able to sell half my holdings at a nice little profit.

"By this time I was really interested in the mining market. I read what men said in the papers about our great mining industry, and heartily agreed with them, although I'm afraid I was more interested in the market than in the mining industry. My friends were quite envious, and said that I must have a gift.

"The next stock I bought was Darkwater."

"On whose advice did you buy Darkwater?"

"Well the reason will probably sound rather silly to you. You see, I used to attend the races quite a lot, and while I didn't know anything about horses, I used to do quite well in betting. Yes, I had a system, but that's the silly part of it. My system was to pick the horse whose name I liked best, and bet on that. I've heard of other women doing that but with me it was really successful, for some reason or other."

"What's this got to do with Darkwater?"

"Well, I thought that instead of just buying the stocks people mentioned to me, I would go into the thing in a big way, and use the same system I used to use at the tracks, basing my purchases on my own judgment.

"I read through the list of mines on the Toronto Stock Exchange list, and stopped at the name Darkwater. I could just see a pool of dark deep water, I thought the name very beautiful."

The Little Black Book

Here there was a slight pause, while both parties to the interview tried not to look embarrassed.

"I bought," the confession continued, "100 shares and paid—I have it all here in my little black book—$2.35 a share."

Darkwater Mines reached $2.75 a share in December of that year, and kept going till it reached $2.98 in January of this. Today it is around 52 cents a share.

One hundred shares of Leitch Gold Mines at $1.10 a share was the next purchase. The current quotation is about 61 cents a share

"Applying your 'system' to this purchase," queried The Post, "didn't the name 'Leitch' remind you of wormy things that attack you in the water? I mean, wasn't the name repellent to you?"

"That's just it," said the lady, eager to justify herself. "It most certainly did, and I bought that stock on the advice of a very successful broker, and right plumb against my better judgment. I should have known better because my reaction was definitely against it. It was after watching that stock go down that I decided in future to use my own judgment exclusively.

"The only time I varied from that rule after that was when my broker called me and told me that everybody was buying Homestead. I thought it was a mine, but it's an oil stock, isn't it? Anyway, I got 100 shares at 87 cents a share."

This purchase hit the nail right on the head, as 87 cents a share was the highest mark ever reached by this stock, since trading started in 1931. The stock is currently about 35 to 38 cents a share.

"Forget About Them"

To date, 500 shares of Paymaster, and 100 shares of Moneta Porcupine are the only stocks this lady has sold. She refuses, "as a matter of principle," to sell any stocks at a loss. In the course of the next few months she acquired the following, in addition to the stocks mentioned above, according to the revelations of her little black book.

Company	Holdings shs.	Price paid	Quoted Price Oct. 2
Sherritt Gordon	100	$3.50	$1.72
Centrecour	200	.45	.14
Hislop	200	.22	.06
Matona	300	.38	.14
Madison Oil	200	.20	.05

"I bought those last few stocks, because somebody—I forget who—told me that the real money in mining was made by getting into the 'pennies' and waiting for the company to make a mine. I was told to buy them, put them away, and forget about them. I only wish I could.

"All this time, it was all outgo, and no income. I needed money to live on, for the bare necessities of life," she continued, as she handed The Post an ivory-tipped cigarette of costly make. "I asked my broker whether there weren't any mines which paid their shareholders something. He told me about the dividend paying gold mines, and I bought Dome at $45.50, Teck-Hughes at $5.75, Wright Hargreaves at $6.45, and Nipissing at $2.95. I like Teck-Hughes very much."

"Did you buy all those other stocks because you liked their names?" asked The Post.

"Mostly. Darkwater has the nicest name of all. I'm sure that property will make good, unless my judgment is absolutely rotten."

"Do you ever read any articles about gold, and that sort of thing? In other words, do you take into consideration any of the broader factors of the market?"

"I used to at first, but it only got me confused. Everybody seemed to be saying different things about gold and all that sort of thing."

"Now that you are a fairly big shareholder, what do you think of the mining market as a whole?"

"Well, I still think some of my stocks are good. I'm getting quite interested in the Quebec mines. Maybe it's because its French, but they have some good names for their properties there. Of course, it's altogether too important to me now to be going entirely by my system, and I don't want you to think I am. If I could get out of some of those mines which aren't paying dividends, at a profit, I think I would put more money in the dividend payers. Why, only this morning I got a cheque from Teck Hughes Mines."

Which seemed like a nice cheery note on which to end the interview.

"READY, AYE READY"

The group of members of Montreal's Board of Trade shown above present a doughty appearance, as they don miners' garb in preparation for descending into the bowels of northwestern Quebec's terrain. The trip, which is rapidly becoming a popular annual event of this club, covered all the larger mines of the area. In the above group, left to right, are shown: Alistair Fraser, K.C., traffic vice-president, C. N. R.; T. W. Kerr, P. C. Armstrong, C. P. R.; D. S. Yuille, A. Beaubien and P. Beaubien, Montreal brokers. The group is about to see what the Sullivan Consolidated Mines property looks like from underneath.

Tourist Spending Reduced By Polio

U. S. Funds in Toronto Store Show Drop of 24% in August

How much did the poliomyelitis epidemic hit retail business in Toronto and other Ontario cities?

The net effect on total trade cannot yet be estimated because the deferred opening of schools changed the "timing" of purchases and much domestic business may be recovered. But in business from tourists, which cannot be recovered, the effect was sharp and decisive.

A large retail organization in Toronto keeps a careful count of United States bills and coins spent in the store, experience having demonstrated that this provides a good index of purchases by American tourists.

In July, United States funds spent in the store showed a gain of 35 per cent over 1936.

In August, came the prolonged hot spell followed by the outbreak of the "polio" epidemic. United States money turned in showed a gain of only 11 per cent over 1936.

In September the hot weather was gone but the epidemic was being widely advertised across the continent. American funds showed a decline of 6 per cent from the 1936 figures.

Kelvinator Profit Lower This Year

In a letter accompanying dividends of $1 a share, on common stock of Kelvinator of Canada, it is stated there has been a definite decline in the company's volume of business this year. It is attributed to unfavorable factors encountered in England, Canada and some Empire sales territories.

It is stated, however, that the company expects the profits for the year ended Sept. 30, after all charges, will exceed preferred and common dividend payments.

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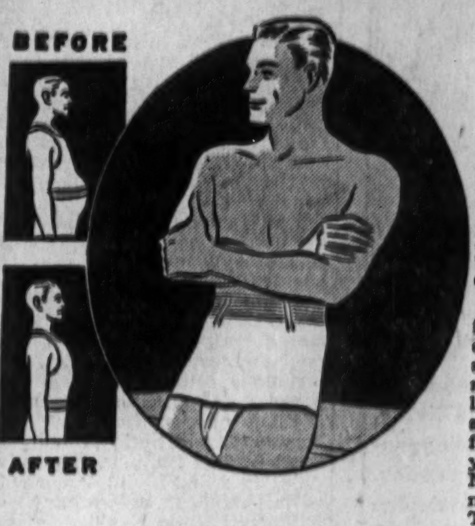

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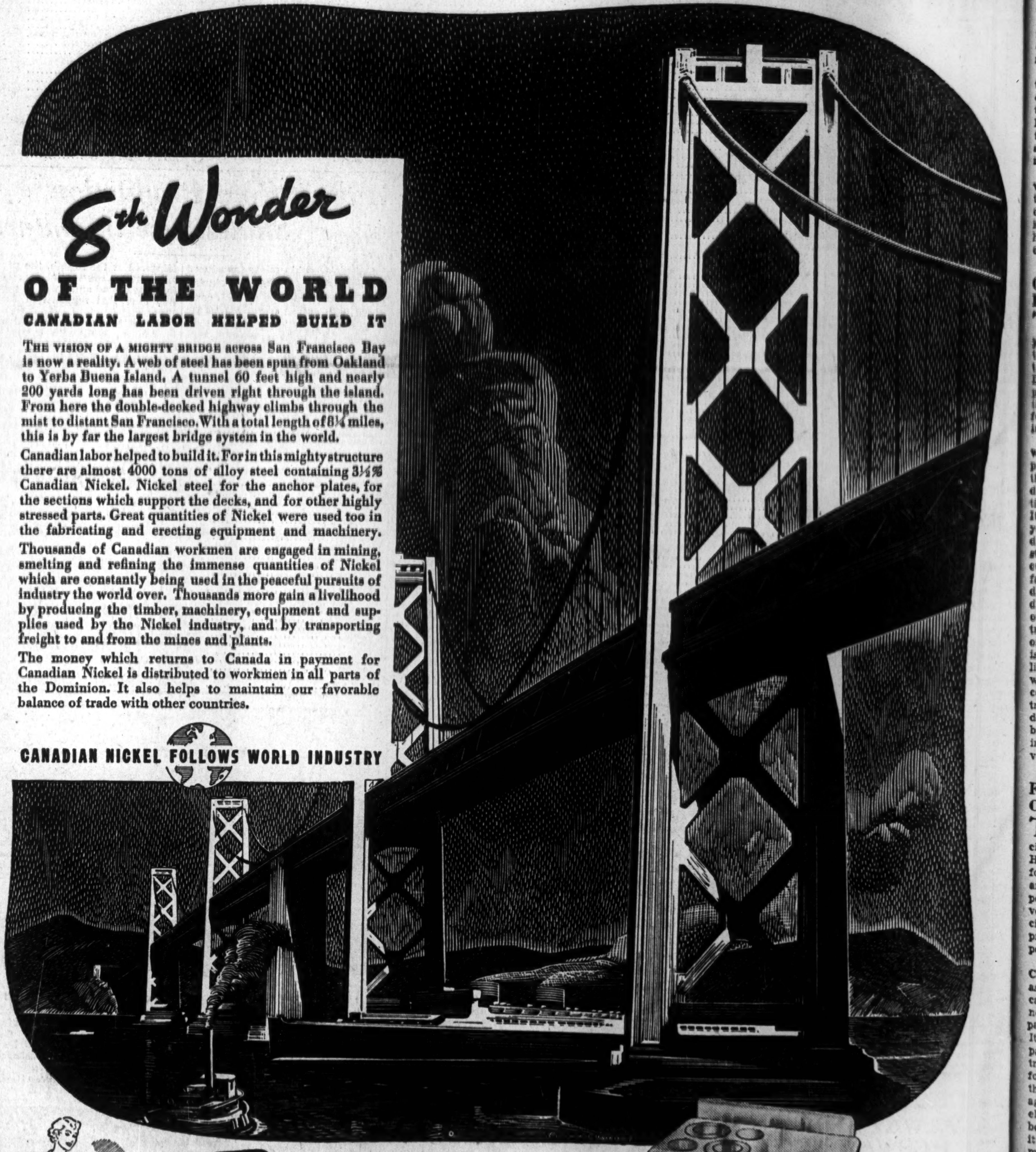


8th Wonder
OF THE WORLD
CANADIAN LABOR HELPED BUILD IT

THE VISION OF A MIGHTY BRIDGE across San Francisco Bay is now a reality. A web of steel has been spun from Oakland to Yerba Buena Island. A tunnel 60 feet high and nearly 200 yards long has been driven right through the island. From here the double-decked highway climbs through the mist to distant San Francisco. With a total length of 8¼ miles, this is by far the largest bridge system in the world.

Canadian labor helped to build it. For in this mighty structure there are almost 4000 tons of alloy steel containing 3½% Canadian Nickel. Nickel steel for the anchor plates, for the sections which support the decks, and for other highly stressed parts. Great quantities of Nickel were used too in the fabricating and erecting equipment and machinery.

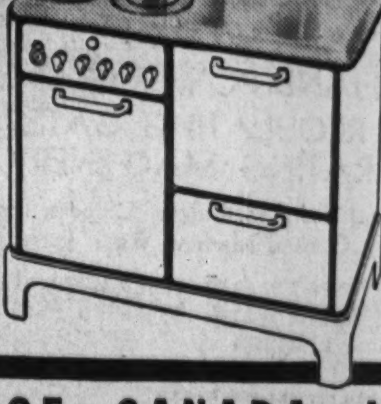
Thousands of Canadian workmen are engaged in mining, smelting and refining the immense quantities of Nickel which are constantly being used in the peaceful pursuits of industry the world over. Thousands more gain a livelihood by producing the timber, machinery, equipment and supplies used by the Nickel industry, and by transporting freight to and from the mines and plants.

The money which returns to Canada in payment for Canadian Nickel is distributed to workmen in all parts of the Dominion. It also helps to maintain our favorable balance of trade with other countries.

CANADIAN NICKEL FOLLOWS WORLD INDUSTRY

A Rust-proof "MONEL" TOP
FOR YOUR KITCHEN RANGE

The silvery kitchen is the vogue today. First, the "MONEL" sink, then the "MONEL" cabinet tops—and now the "MONEL" range top. Leading makers of electric and gas ranges in Canada are featuring models with tops of this rust-proof, corrosion-resistant metal. It's so easy to clean and keep clean. Its beautiful, silvery lustre improves with use. See the models with "MONEL" tops wherever fine ranges are sold.



Write for a free copy of "The Nickel Industry in 1936", a complete review of the past year's world-wide developments and applications of Nickel and its Alloys.

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